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July 16, 1997

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ATTACHMENT 7

FORM OF BASEBALL SUBLEASE

Draft of 7/9/97

BASEBALL LEASE AND USE AGREEMENT

by and between

CHINA BASIN BALLPARK COMPANY LLC

and

SAN FRANCISCO BASEBALL ASSOCIATES L.P.

[_____] 1997

TABLE OF CONTENTS

ARTICLE 1 CONSTRUCTION OF BALLPARK; TERM 2
1.1 Construction 2
1.2 Term 2
1.3 Early Occupation 3
1.4 Right to Terminate 3
1.5 Options to Extend 4
1.6 Extension Options 5

ARTICLE 2 PREMISES AND USE 5
2.1 Description of Premises 5
2.2 Team Owner's Use 9
2.3 CBBC's Reservations and Use of Ballpark Complex 10
2.4 Other Events and other Permitted Uses 12
2.5 Scheduling. 14

ARTICLE 3 RENT 15
3.1 Percentage Rent 15
3.2 Minimum Rent 15
3.3 Payment to CBBC of Ticket Surcharge 16
3.4 Certain Definitions 17
3.5 Accounting in Accordance with GAAP 19
3.6 Audit. 19
3.7 Credit Against Rent 20

ARTICLE 4 SHARING OF PREMIUM SEATING REVENUE AND TICKET SALES RIGHTS 21
4.1 Premium Seating Rights. 21
4.2 Purchase of Premium Seating Rights Tickets 21
4.3 Team Owner's Agent 22
4.4 Club Seat Ticket Prices. 22
4.5 Club Seat Ticket Purchase Price. 23
4.6 Luxury Suite Tickets 24
4.7 Charter Seats 25
4.8 Sales of Tickets by Team Owner. 26
4.9 Post Season Games; All Star Games; and Other Baseball Activities 26
4.10 Premium Seating Revenue Sharing 26

ARTICLE 5 CONCESSIONS REVENUE SHARING; STADIUM CLUB 27
5.1 Concessionaire(s) 27
5.2 Concessions Revenue Payments. 28
5.3 Team Owner's Approval Rights Re Products and Other Matters. 29
5.4 Stadium Club 30

ARTICLE 6 OPERATING OBLIGATIONS 31
6.1 CBBC's Operating Responsibility. 31
6.2 Utilities 32
6.3 Cleaning 33
6.4 Ballpark Security 33
6.5 Offsite Parking 34
6.6 Real Property Taxes. 34
6.7 Team Owner's Covenant Re Baseball Home Games. 35
6.8 Covenant Not to Relocate Franchise During Term 35
6.9 No Termination or Amendment to Ground Lease 36

ARTICLE 7 REPAIR AND MAINTENANCE 36
7.1 CBBC's Covenant to Repair and Maintain the Premises 36
7.2 Maintenance Standard 37
7.3 Facilities Condition Report 37
7.4 CBBC's Specific Obligations 38
7.5 Maintenance and Repair Procedures. 38
7.6 Capital Repairs Fund. 39
7.7 Capital Repairs. 41
7.8 Team Owner's Responsibility 41
7.9 Exclusive Use Areas 41
7.10 Work Standards 42
7.11 Team Owner's Self-Help 42

ARTICLE 8 COMPLIANCE WITH LAWS AND OTHER REQUIREMENTS 42
8.1 CBBC's Obligation 42
8.2 Team Owner's Obligation 43

ARTICLE 9 NAMING RIGHTS 43
9.1 Agreement with PTG 43
9.2 Subsequent Naming Rights Arrangements 44

ARTICLE 10 BALLPARK ADVERTISING 45
10.1 CBBC's Rights Regarding Advertising 45
10.2 Team Owner's Right of Approval and First Refusal 45
10.3 Team Owner's Approval Rights 46

ARTICLE 11 TELEVISION, RADIO, INTERNET AND OTHER MEDIA 47
11.1 Team Owner's Rights 47

ARTICLE 12 TEAM PROMOTIONS/SPONSORSHIPS 48
12.1 Team Owner's Rights 48

ARTICLE 13 DAMAGE AND DESTRUCTION 49
13.1 CBBC's Obligation to Restore 49
13.2 Rent Abatement 49

13.3 CBBC's Right to Demolish 50
13.4 Team Owner's Right to Terminate 51

ARTICLE 14 CONDEMNATION 51
14.1 General 51
14.2 Total Condemnation 52
14.3 Partial Condemnation 52
14.4 Awards 53
14.5 Temporary Condemnation 54
14.6 Team Owner's Right to Terminate 55
14.7 Rent Abatement 55

ARTICLE 15 ASSIGNMENT AND SUBLEASING 56
15.1 Restrictions on Team Owner 56
15.2 Team Owner's Right to Sublet Retail Space 56
15.3 Mortgaging of Team Owner's Leasehold Estate 57

ARTICLE 16 INDEMNIFICATION 57
16.1 Indemnification of CBBC 57
16.2 Indemnification of Team Owner 58
16.3 Not Limited by Insurance 59
16.4 Survival 59
16.5 Other Obligations 59
16.6 Defense 59

ARTICLE 17 INSURANCE 60
17.1 Insurance to Be Carried by CBBC 60
17.2 Insurance to Be Carried by Team Owner 61
17.3 Joint Insurance Program 66
17.4 Release and Waiver 67

ARTICLE 18 HAZARDOUS MATERIALS 68
18.1 Hazardous Materials Compliance by Team Owner 68
18.2 Hazardous Materials Compliance by CBBC 69
18.3 Hazardous Materials Indemnity 70

ARTICLE 19 FORCE MAJEURE 71
19.1 Force Majeure 71

ARTICLE 20 DEFAULT 72
20.1 Team Owner's Events of Default 72
20.2 CBBC's Remedies Generally 73
20.3 CBBC Events of Default 76
20.4 Team Owner's Remedies Generally 78
20.5 No Waiver by CBBC or Team Owner 80
20.6 Equitable Relief 80

20.7 Special Provisions Concerning Mortgagees and Events of Default 80

ARTICLE 21 LIMITATIONS ON LIABILITY 81
21.1 Limitation on Liability of CBBC 81
21.2 Limitation on Liability of Team Owner 81

ARTICLE 22 MORTGAGES 82
22.1 CBBC Mortgages 82
22.2 Team Owner Mortgages 84

ARTICLE 23 ESTOPPEL CERTIFICATES 91
23.1 Estoppel Certificates by CBBC 91
23.2 Estoppel Certificates by Team Owner 91

ARTICLE 24 NO MERGER OF TITLE 92
24.1 No Merger of Title 92

ARTICLE 25 QUIET ENJOYMENT 93
25.1 Quiet Enjoyment 93

ARTICLE 26 SURRENDER OF THE PREMISES 93
26.1 End of Term 93

ARTICLE 27 NOTICES 94
27.1 Notices 94
27.2 Form and Effect of Notice 95

ARTICLE 28 INSPECTION OF PREMISES BY CBBC 96
28.1 Entry 96
28.2 Exhibit for Lease 97
28.3 Notice; Right to Accompany 97
28.4 Rights of Subtenants 98

ARTICLE 29 NO JOINT VENTURE 98
29.1 No Joint Venture 98

ARTICLE 30 AFFIRMATIVE ACTION 99
30.1 Affirmative Action 99

ARTICLE 31 SPECIAL PROVISIONS 99
31.1 Non-Discrimination 99
31.2 MacBride Principles - Northern Ireland 101
31.3 Tropical Hardwood Ban 102
31.4 Tobacco Product Advertising Prohibition 102
31.5 Burma (Myanmar) Business Prohibition 102
31.6 Proximity of Waterfront Transportation Project 103

ARTICLE 32 GENERAL 104
32.1 Time of Performance 104
32.2 Interpretation of Agreement 105
32.3 Successors and Assigns 106
32.4 No Third Party Beneficiaries 106
32.5 Approval or Consent 107
32.6 Responsible Party for Expenses 107
32.7 Counterparts 107
32.8 Entire Agreement 107
32.9 Amendment 107
32.10 Governing Law; Selection of Forum 108
32.11 Recordation 108
32.12 Extensions 109
32.13 Further Assurances 109
32.14 Attorneys' Fees 109
32.15 Effective Date 110

ARTICLE 33 DEFINITIONS 110

BASEBALL LEASE AND USE AGREEMENT

THIS BASEBALL LEASE AND USE AGREEMENT is made as of the ____ day of _____, 1997 by and between CHINA BASIN BALL PARK COMPANY LLC, a Delaware limited liability company ("CBBC"), and SAN FRANCISCO BASEBALL ASSOCIATES L.P., a California limited partnership ("Team Owner").

RECITALS

A. Team Owner is the owner of a franchise issued by the National League and the owner of the San Francisco Giants professional baseball team. Currently, Team Owner leases from the City for baseball use the stadium facility in the City known as 3Com Park at Candlestick Point (the "3Com Park Lease"). Pursuant to the terms and provisions of this Lease Agreement, Team Owner wishes to make the Ballpark its new home and to terminate, effective on commencement of the Initial Term of this Lease Agreement, the 3Com Park Lease.

B. As a material inducement to the City to approve the transactions contemplated by the DDA and the Ground Lease and to enter into those agreements, Team Owner has executed and delivered to the City the Non-Relocation Agreement, whereby Team Owner agrees to cause the Team to play substantially all of its Baseball Home Games at the Ballpark from Completion of the Ballpark through the end of the initial term of the Ground Lease, upon the terms and conditions set forth therein, and the related Guaranty, whereunder certain obligations of CBBC to the City or the Agency are guaranteed upon the terms and

conditions set forth therein if Team Owner breaches its obligations under the Non-Relocation Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, CBBC and Team Owner hereby agree as follows:

ARTICLE 1

CONSTRUCTION OF BALLPARK; TERM

1.1 Construction. CBBC shall use commercially reasonable efforts to Complete construction of the Ballpark and all Related Improvements on the Property on or before April 1, 2000 in accordance with the Plans and Specifications, as the same may be further developed, amended or modified from time to time with the consent of Team Owner.

1.2 Term. The term of this Lease Agreement shall commence on April 1, 2000 and shall end on December 31, 2022, unless extended or earlier terminated in accordance with the provisions of this Lease Agreement (the "Initial Term"); provided, however, if the Ballpark is not Completed on or before April 1, 2000, then the commencement of the Initial Term shall be postponed until Opening Day of the first Season next following the Completion of the Ballpark, unless CBBC and Team Owner agree in writing on an earlier date for such commencement following Completion of the Ballpark. Promptly following the commencement of the Initial Term, the Parties shall execute a written confirmation of the

commencement date; provided, however, the failure of the Parties to execute such written confirmation shall not affect either the commencement of the Initial Term or the rights and obligations of the Parties under this Lease Agreement.

1.3 Early Occupation. Notwithstanding the terms of section 1.2 hereof and subject to the terms of this Lease Agreement, Team Owner shall be permitted to occupy the Premises prior to the commencement of the Initial Term for the limited purpose of moving in and preparing the Exclusive Use Areas in advance of Opening Day for Major League Baseball operations. No Rent shall accrue or be payable during such early occupation period. Such early occupation period shall commence at least within the sixty (60) day period immediately preceding the commencement date of the Initial Term; provided, however, Team Owner shall comply with the requirements of CBBC and CBBC's construction manager regarding such early occupancy and any move in or installation of Team Owner's equipment so that the same will be done without adverse effect on the schedule to complete the Ballpark Complex.

1.4 Right to Terminate. If the Initial Term has not commenced on or before April 1, 2002, or if CBBC notifies City and Team Owner in writing that CBBC shall be unable to achieve Completion of the Ballpark on or before April 1, 2002, then, after either such event, Team Owner shall have the right to terminate this Lease Agreement by sending a notice to CBBC and City that Team Owner elects to terminate this Lease Agreement (a "Termination Notice"), effective as of a date specified in such Termination Notice, which date shall not be less than ninety (90) days following the date such Termination Notice is given.

1.5 Options to Extend. At its option, Team Owner may extend the Initial Term of this Lease Agreement for eight (8) additional successive periods (each an "Extended Term"); provided, however, each such extension shall be effective only if Tenant under the Ground Lease extends the term of the Ground Lease for a like period; and provided further that Team Owner may exercise an extension right for a later Extended Term only if the Term has been extended by all prior Extended Terms. The first seven (7) Extended Terms shall be for successive periods of five (5) years each, and the last Extended Term shall be for a period of six (6) years. Team Owner may exercise such rights to extend the Term of this Lease Agreement (each such an "Option") as follows: No later than the ninetieth (90th) day prior to the last date on which CBBC may exercise its Option next in order to extend the term of the Ground Lease (each, a "Notification Date"), Team Owner shall send written notice to CBBC electing either to (1) exercise its Option next in order to extend the term of this Lease Agreement or (2) declining to exercise such Option. If Team Owner fails to send such a notice to CBBC, then Team Owner shall be deemed to have elected to decline to exercise such Option; provided, however, if CBBC does not receive such notice on or before the Notification Date with respect to an Option, then CBBC shall on or before the sixtieth (60th) day prior to the date by which it must execute the extension option next in order under the Ground Lease confirm by written notice to Team Owner that Team Owner has elected not to exercise its Option to extend the term of this Lease Agreement; and Team Owner shall then have a period of fifteen (15) days following the date such notice is given by CBBC to give written notice to CBBC that it has decided to exercise such Option, and such notice shall be deemed to be a timely notice of exercise to extend for all purposes under this Lease Agreement. All of the terms and provisions of this Lease Agreement shall

apply to each Extension Term, except as CBBC and Team Owner shall otherwise agree in writing.

1.6 Extension Options. CBBC shall have no obligation whatsoever to Team Owner to exercise an option to extend the term of the Ground Lease; and Team Owner shall have no obligation whatsoever to CBBC to exercise an option to extend the term of this Lease Agreement. However, once CBBC, as to the Ground Lease, or Team Owner as to this Lease Agreement, has exercised an extension option, such exercise shall be irrevocable without the prior written consent of the other Party, which consent may be withheld in the absolute discretion of the party having the right of consent. CBBC shall provide Team Owner with a copy of each notice of exercise of an extension option under the Ground Lease concurrently with the giving of such notice thereunder to the Landlord.

ARTICLE 2

PREMISES AND USE

2.1 Description of Premises. Subject to the reservations of CBBC contained in Section 2.3, the Premises consists of:

(a) the following areas of the Ballpark and Related Improvements, of which Team Owner shall have exclusive use and occupancy throughout the Term (hereinafter, the "Exclusive Use Areas"):

(i) The Exclusive Use Areas in the Related Improvements shall be:

(A) Up to twenty thousand (20,000) net rentable square feet of office space in the Pavilion at such location or locations and in such configuration or configurations as CBBC and Team Owner shall approve from time to time;

(B) On the ground floor of the Pavilion (street level) up to _____ thousand (___,000) square feet of net rentable area for the retail sale by Team Owner, or its licensee or subtenant, of Team related merchandise, other baseball related merchandise and other sports related merchandise and for ticket sales to Baseball Home Games, other Baseball Activities and any other events (including Other Events); and

(C) Storage space as available within the Pavilion, in such amount as Team Owner shall reasonably request in support of the office and retail uses referred to in clauses (A) and (B) above.

(ii) The Exclusive Use Areas in the Ballpark shall be:

(A) Luxury Suite # ____;

(B) The Team and visiting team locker rooms, dugouts, medical facilities, and workout/practice facilities (including batting cages) all located in such areas of the Ballpark as CBBC and Team Owner shall approve;

(C) Up to _____ square feet of net rentable area for the ticket sales office for Team Owner's sale of tickets to Baseball Home Games, and tickets for other ticketed events which are Baseball Activities (Team Owner and CBBC agree that this ticket sales office may have a section or sections reserved for use by CBBC in connection with ticket sales for Other Events, provided that reasonable means are used to preserve the security of records and funds received with respect to ticket sales made by Team Owner and ticket sales made by CBBC), located in such area on the street level of the Ballpark as Team Owner and CBBC shall mutually approve;

(D) Up to _____ square feet of net rentable area for Team Owner's executive dining room/entertainment area, located on

the mezzanine club level or the Luxury Suite level of the Ballpark; and

(E) Up to _____ net rentable square feet of storage area for Team Owner's baseball equipment, consumable baseball and office supplies and other storage needs of Team Owner, located at such areas in the Ballpark as Team Owner and CBBC shall mutually approve.

Notwithstanding the foregoing, to the extent that the Plans and Specifications existing on the date this Lease Agreement is executed and delivered identify the location, size, configuration or other aspects of the foregoing Exclusive Use Areas, any such matters which are so identified shall be deemed approved by CBBC and Team Owner and may only be changed with the prior written approval of both CBBC and Team Owner;

(b) the remainder of the Ballpark which Team Owner may use with CBBC on a non-exclusive basis (subject to restrictions as specified in this Article 2) each Baseball Occupancy Period during the Term for its Baseball Home Games and other Baseball Activities, including the Field; and

(c) the Common Areas, which Team Owner and its Invitees may use with CBBC and CBBC's tenants and licensees and any subtenants and

sublicensees on a non-exclusive basis subject to the reasonable rules and regulations of CBBC that are imposed from time to time in respect of the use of the Ballpark Complex.

2.2 Team Owner's Use. Subject to the reservations of CBBC set forth in Section 2.3, during the Term, Team Owner and its Invitees shall be entitled to the possession and use of the Premises for the following purposes:

(a) To occupy and conduct Team Owner's day-to-day business and athletic operations in the Exclusive Use Areas;

(b) To conduct any and all other activities which, from time to time during the Term, are associated with or conducted in connection with or related to, the conduct of the business of a Major League Baseball team, including the exhibition of Baseball Home Games and other Baseball Activities;

(c) To use, without charge, all on-site parking, subject to the reservation by CBBC for itself and its tenants, licensees or sublicensees (including Luxury Suite License Patrons) of _____ parking spaces during Baseball Home Games and ten (10) parking spaces on other days; and

(d) All uses which are Permitted Uses, except as Team Owner is otherwise expressly restricted elsewhere in this Agreement or in the Ground Lease.

In no event shall Team Owner occupy or use any portion of the Ballpark or the Related Improvements (or permit the use or occupancy of any portion of the Ballpark or the Related Improvements under or through Team Owner) for any purpose that will violate Laws or violate the use restrictions of the Ground Lease, any Covenants, Conditions and Restrictions or any provisions pertaining to the use of the Ballpark or the Related Improvements established by or pursuant to Regulatory Approvals.

2.3 CBBC's Reservations and Use of Ballpark Complex. CBBC reserves to itself:

(a) the exclusive right to use, or to license others to use, or to lease to others, (1) the Ballpark (except for the Exclusive Use Areas) (A) during all periods which are not included within a Baseball Occupancy Period for any Other Event (subject to Section 2.4) or for any other Permitted Use under the Ground Lease which is first approved by Team Owner and (B) during each period of four (4) days or longer during a Baseball Occupancy Period that Team Owner has neither a scheduled or rescheduled Baseball Home Game nor any other scheduled or rescheduled Baseball Activity for Other Events subject to the conditions and requirements set forth

in Section 2.4, and (2) the Related Improvements or any portion thereof (except for the Exclusive Use Areas) for any Permitted Use under the Ground Lease;

(b) the non-exclusive right to use, or to license others to use, during each Baseball Occupancy Period during the Term, the Ballpark (except for the Exclusive Use Areas) required in order for CBBC and its Concessionaire(s) and other agents, contractors, licensees or sublicensees to operate the Ballpark in accordance with CBBC's obligations and rights under this Lease Agreement in connection with the exhibition of Baseball Home Games, other Baseball Activities, or otherwise;

(c) the right to grant non-exclusive easements within the Ballpark and Related Improvements for the purpose of locating and relocating utility and communications equipment, including pipes, conduits, ducts and cable, wherever needed or required as long as the use of such easements do not unreasonably interfere with Team Owner's use and enjoyment of the Exclusive Use Areas; and

(d) the non-exclusive right to use and permit others, including the Luxury Suite Patrons, its other tenants and licensees and any subtenants, sublicensees or the Concessionaire(s) to use any on-site parking, subject to the grant to Team Owner contained in Section 2.2(c).

2.4 Other Events and other Permitted Uses. During any portion of the Term that CBBC is entitled to use, or grant others the right to use those portions of the Ballpark which are not Exclusive Use Areas, CBBC shall have the exclusive right to schedule Other Events or other Permitted Uses at the Ballpark subject to the approval of Team Owner and the following conditions and requirements:

(a) CBBC shall give Team Owner at least thirty (30) days prior written notice of any Other Event or other Permitted Use proposed to be conducted at the Ballpark, which notice shall identify the nature of the event or use, the sponsor, the promotor, if any, the areas of the Ballpark to be used, the duration of such Other Event or other Permitted Use and any other relevant information reasonably necessary for Team Owner to exercise its approval rights pursuant to this Section 2.4.

(b) Notwithstanding any other provision of this Lease Agreement (including Section 32.5 re approvals), Team Owner shall have the absolute right to withhold approval of any Other Event or other Permitted Use if the nature of such Other Event or other Permitted Use would render in the good faith judgment of Team Owner the Field unsuitable for playing a Baseball Home Game or conducting other Baseball Activities thereon.

(c) Team Owner shall respond in writing to CBBC either (i) approving such Other Event or other Permitted Use or (ii) disapproving

such Other Event or other Permitted Use, with an explanation of the reasons for such disapproval, no later than the fifteenth (15th) day after its receipt of CBBC's notice under Section 2.4(a).

(d) CBBC shall not schedule an Other Event:

(i) for any Baseball Activity;

(ii) for any semi-professional baseball game;

(iii) for any event during a Baseball Occupancy Period which requires or permits spectator seating accommodations to be placed on the Field including, without limitation, movable stands which are ordinarily part of the regular Ballpark seating;

(iv) during the thirty-six (36) hour period preceding or the twenty-four (24) hour period subsequent to a Baseball Home Game, another Baseball Activity or a baseball workout day;

(v) for any event during a Baseball Occupancy Period wherein the Field is utilized for any sport in any forty-

eight (48) hour period, unless there is a period of at least forty-eight (48) hours before the next Baseball Home Game, Baseball Activity or baseball workout day; or

(vi) for any date of which CBBC has received written notice from Team Owner that a Baseball Home Game, Baseball Activity or a workout day has been rescheduled due to inclement weather or any Force Majeure event.

2.5 Scheduling. By the November 1 preceding each Season, Team Owner shall notify CBBC of the Team's schedule (the "Baseball Schedule") for Baseball Home Games, Baseball Activities and baseball workout days for the upcoming Season and year, including all potential dates for the All-Star Game (if scheduled to be played at the Ballpark) and Post Season Games. CBBC shall not schedule any Other Events on any dates that conflict with the dates of Baseball Home Games (excluding Post Season Games), the All-Star Game, Baseball Activities and baseball workout days described in the Baseball Schedule. CBBC shall not schedule an Other Event during the period scheduled by the National League and Major League Baseball for Post Season Games (including the World Series) until the Team is mathematically precluded from participating therein.

ARTICLE 3

RENT

3.1 Percentage Rent. Each calendar year during the Term, Team Owner shall pay to CBBC Percentage Rent in the amount of twenty-five percent (25%) of Net Ticket Sales Revenue for Baseball Home Games (other than any exhibition game) occurring during the Season of that calendar year, payable on the fifteenth (15th) day of each month for all Baseball Home Games played during the preceding month, less any previously paid Minimum Rent for such calendar year. Percentage Rent is not paid with respect to any exhibition game, Post Season Game, All Star Game or any other Baseball Activity.

3.2 Minimum Rent. During the Term, as it may be extended from time to time, Team Owner shall pay to CBBC Minimum Rent in the amount of seven million dollars ($7,000,000) per year, payable quarterly, in arrears, in installments of one million seven hundred fifty thousand dollars ($1,750,000) each, on the last day of each calendar quarter; provided, however, the amount of Minimum Rent payable at the end of each calendar quarter during a year shall be reduced by the amount of Percentage Rent previously paid by Team Owner pursuant to Section 3.1 during that year. For example, if during a year Percentage Rent paid on April 15, May 15 and June 15 aggregated one million dollars ($1,000,000) and the first Minimum Rent installment of one million seven hundred fifty thousand dollars ($1,750,000) was paid on March 31 of that year, the amount of Minimum Rent payable on June 30 of that year would be seven hundred fifty thousand dollars

($750,000); and if the aggregate Percentage Rent for July 15, August 15 and September 15 of that year were four million two hundred fifty thousand dollars ($4,250,000), there would be no amount of Minimum Rent to be paid by Team Owner on September 30 and December 31 of that year because a total of seven million seven hundred fifty thousand dollars ($7,750,000) would have been paid in Minimum Rent and Percentage Rent as of September 15 of that year. However, Team Owner would still remain obligated to pay to CBBC Percentage Rent that is payable after September 15 of that year. Notwithstanding the foregoing, during the year in which the Initial Term commences, such annual Minimum Rent shall be prorated on the basis of the number of days from the commencement of the Term to December 31 of that year, with the first quarterly payment likewise prorated on the basis of the number of days from the commencement date of the Term to the end of the next calendar quarter; for example, if the Term commences on April 15, 2000, annual Minimum Rent for the year would be four million nine hundred eighty-six thousand three hundred one dollars ($4,986,301) and the quarterly installment due on June 30 would be one million four hundred eighty-six thousand three hundred one dollars ($1,486,301) and the quarterly installments due on September 30 and December 31 would each be one million seven hundred fifty thousand dollars ($1,750,000), in all cases rounding to the nearest one dollar ($1.00) and in all cases subject to the offset for Percentage Rent paid during that year as aforesaid.

3.3 Payment to CBBC of Ticket Surcharge. During the Initial Term, Team Owner shall add to the price of each ticket for admission to a Baseball Home Game during each Season the Ticket Surcharge and shall remit the amount thereof as additional rent to

CBBC on the fifteenth (15th) day of the succeeding month for all Baseball Home Games played during the preceding month of that Season. The Ticket Surcharge shall not be added to the price of tickets for admission to any Post Season Game, All Star Game or any other Baseball Activity. Notwithstanding the foregoing, a Ticket Surcharge shall not be added to the price of a ticket for admission to any game of the Team that would have been a Baseball Home Game but is played at a facility other than the Ballpark because of Force Majeure.

3.4 Certain Definitions. As used in this Article 3, the terms listed below shall have the following meanings:

(a) "Net Ticket Sales Revenue" shall mean the gross receipts received from the sale of tickets for admission to Baseball Home Games (other than any exhibition game) during a Season (including that portion of the annual payments made by holders of Club Seat Licenses and Luxury Suite Licenses which is allocable to admission tickets for the seat or seats covered by that License), after deducting the Ticket Surcharge, any Admissions Tax and any shares paid to Major League Baseball and/or visiting teams. The value of complimentary tickets or other free admissions allowed by Team Owner to Baseball Home Games to civic, charitable, religious or other nonprofit organizations and to personnel of Major League Baseball, Team Owner, CBBC, Ballpark sponsors, CBBC's concessionaire and its sublicensees or other persons or companies engaged in the conduct of

operations of or at the Ballpark during Baseball Home Games (such as, for example, security and cleaning personnel, radio, television, press and other media personnel engaged in reporting, broadcasting or otherwise transmitting the game and day of game personnel, such as umpires, ticket takers, and ushers) shall not be included in the calculation of Net Ticket Sales Revenue. Net Ticket Sales Revenue does not include the gross receipts received from the sale of tickets for admission to any exhibition game, Post Season Game, All Star Game or any other Baseball Activity. Net Ticket Sales Revenue also does not include the gross receipts received from the sale of tickets for admission to any game of the Team that would have been a Baseball Home Game but which is played at a facility other than the Ballpark on account of Force Majeure.

(b) "Admissions Tax" means a tax on admission to Baseball Home Games played at the Ballpark during the Term imposed by the City or any governmental entity or agency that is Specially Controlled by the City.

(c) "Excess Admissions Tax" means an Admissions Tax in excess of $0.25 per ticket.

(d) "Ticket Surcharge" means an amount of one dollar ($1.00) to be added by Team Owner to the price of each ticket for admission to a

Baseball Home Game (other than an exhibition game) during each Season for the Initial Term.

3.5 Accounting in Accordance with GAAP. All items required to be included in the calculation of Net Ticket Sales Revenue shall be booked and accounted for by Team Owner solely in accordance with GAAP. All revenues or expenses shall be properly deferred or accrued in accordance with GAAP so that receipts are included in the revenues used in the calculation of Net Ticket Sales Revenue in the year earned rather than in the year received and permissible expenses or other deductions are included in the calculation of Net Ticket Sales Revenue in the year when the contracts or services are performed rather than the year paid, whenever such treatment is required by GAAP.

3.6 Audit. Each payment of Percentage Rent shall be accompanied by a statement certified as true and correct by Team Owner's Chief Financial Officer showing with reasonable specificity all computations relating thereto. CBBC shall have the right, through the use of an independent certified public accounting firm selected by CBBC and approved by Team Owner, at any time during normal business hours and at the offices of Team Owner, to review, at CBBC's expense, all records of Team Owner which relate to the calculation of Net Ticket Sales Revenue. In the event such review results in a determination that the computations are erroneous, the error shall be promptly corrected by the parties, and if such error results in a three and one-half percent (3.5%) or more discrepancy in favor of CBBC in Percentage Rent received or paid, the reasonable cost of such review shall be reimbursed to CBBC by Team Owner.

3.7 Credit Against Rent. Team Owner shall be entitled to credit against Percentage Rent payable during each year of the Term the amount of any Excess Admissions Tax imposed by any governmental authority with jurisdiction, including, without limitation, the City, on admission to Baseball Home Games to the extent, but only to the extent, that Percentage Rent exceeds Minimum Rent payable under this Lease Agreement for the calendar year in question, and against any additional rent payable under this Lease Agreement, including the Ticket Surcharge; provided, however, in no event shall the rent credit provided to Team Owner during a calendar year under this Section 3.7 exceed the rent credit, rebate or other payment which the Tenant is entitled to receive during such calendar year from the Landlord under the Ground Lease. For example, if during a Season the City has imposed an Excess Admissions Tax in the amount of one dollar ($1.00) per ticket applicable to tickets for admission to Baseball Home Games, three million tickets were sold subject to such Excess Admissions Tax, the Tenant is entitled to a full rent credit, rebate or other payment from the Landlord (or the City) under the terms of the Ground Lease or otherwise in the amount of the aggregate Excess Admissions Tax of three million dollars ($3,000,000), such aggregate Excess Admissions Tax would be a credit against Percentage Rent payable during that year (but only to the extent that such Percentage Rent exceeds the Minimum Rent for that year) and against any additional rent payable under this Lease Agreement, including the Ticket Surcharge. Notwithstanding the foregoing, if the Excess Admission Tax imposed during a calendar year and paid by Team Owner exceeds the amount of the credit against Rent as provided above and CBBC is entitled to receive a rent credit, rebate or other payment from the Landlord (or the City) under the terms of the Ground Lease or otherwise on account thereof in excess of the rent credit provided Team

Owner under this Lease Agreement, than CBBC shall pay over to Team Owner the amount of such excess.

ARTICLE 4

SHARING OF PREMIUM SEATING REVENUE AND TICKET SALES RIGHTS

4.1 Premium Seating Rights. CBBC and Team Owner shall share in the revenues earned by CBBC in connection with the sales of licenses to the Premium Field Club Seats, the Field Club Seats, the Infield Club Level Seats and the Outfield Club Level Seats (collectively, the "Club Seats") and the Luxury Suites (collectively, the "Premium Seating Rights") and Team Owner shall permit CBBC to sell, as sales agent for Team Owner as provided below, full season admission tickets ("Season Tickets") to Baseball Home Games for those seats that are covered by the Premium Seating Rights in accordance with this Article 4. The length of the term of the licenses for the Club Seats and the licenses for the Luxury Suites and all other terms of the Club Seat License Agreements and the Luxury Suite License Agreements shall be subject to Team Owner's approval.

4.2 Purchase of Premium Seating Rights Tickets. Each Season during the Term, Team Owner shall make available to CBBC in accordance with the terms hereof, Season Tickets in an amount equal to the number of Season Tickets that will enable CBBC to sell

Season Tickets to those persons who have purchased Club Seat Licenses from CBBC (the "Club Seat Licensees") and to provide those patrons who have entered into Luxury Suite License Agreements with CBBC (the "Luxury Suite Patrons") Season Tickets sufficient for the seats in their Luxury Suites. At least thirty (30) days prior to the commencement of each Season, CBBC shall notify Team Owner of the number of Season Tickets that CBBC will require for sale to the Club Seat Licensees and to provide to the Luxury Suite Patrons.

4.3 Team Owner's Agent. Team Owner hereby grants CBBC the right to sell, as agent for and on behalf of Team Owner, Season Tickets to the Club Seat Licensees and the Charter Seat Licensees. CBBC shall not be deemed an agent of Team Owner for any other purpose and, except as otherwise provided herein, CBBC shall not receive any fee or compensation for its sales of Season Tickets as provided herein nor shall CBBC be entitled to receive reimbursement for any expenses incurred by it in connection with the sale of Season Tickets to the Club Seat Licensees and the Charter Seat Licensees.

4.4 Club Seat Ticket Prices. During the first Season, CBBC shall, as sales agent for and on behalf of Team Owner, be permitted to sell the Season Tickets for each scheduled Baseball Home Game to the Club Seat Licensees at the following prices: (a) the admission ticket price for the Premium Field Club Seats will be $42 per scheduled Baseball Home Game; (b) the admission ticket price for the Field Club and Infield Club Level Seats will be $36 per scheduled Baseball Home Game; and (c) the admission ticket price for the Outfield Club Level Seats will be $32 per scheduled Baseball Home Game. On or before the January 1 that precedes the second Season, and on or before the January 1 that precedes

each subsequent Season thereafter, Team Owner shall establish the admission ticket prices per Baseball Home Game to be charged to the Club Seat Licensees but in no event shall the ticket price per ticket exceed the percentage increases set forth in the Club Seat License Agreements. The ticket prices established by Team Owner shall in no way affect the Revenue Per Seat, or its method of calculation, to be retained by CBBC in accordance with Section 4.5 hereof.

4.5 Club Seat Ticket Purchase Price.

(a) Commencing with the first Season, the amount remitted by CBBC to Team Owner for the Season Tickets for the Club Seats shall be the amount that is the product of the total revenues received by CBBC for the Club Seat Season Tickets at the prices stated in or established by Team Owner pursuant to Section 4.4 less the amount required to permit CBBC to retain an amount equal to one thousand dollars ($1,000) (the "Revenue Per Seat") for every Club Seat that is licensed to a Club Seat Licensee by CBBC. By way of example, if CBBC sells Season Tickets for seven thousand (7,000) Club Seats to Club Seat Licensees for the first Season, CBBC shall retain the amount of seven million dollars ($7,000,000) from the Season Ticket moneys paid by the Club Seat Licensees and the amount remaining shall be paid to Team Owner as consideration for the Season Tickets purchased by the Club Seat Licensees.

(b) Commencing with the second Season, and continuing thereafter during each subsequent Season during the Term, the amount of Revenue Per Seat to be retained by

CBBC shall increase each year, on a compounding basis, by four percent (4%). By way of example, the Revenue Per Seat during the second Season shall be one thousand forty dollars ($1,040) and the Revenue Per Seat during the third Season shall be one thousand eighty-one and sixty hundredths dollars ($1,081.60). Thus, during the second Season, the amount remitted by CBBC to Team Owner for the Season Tickets for the Club Seats shall be the amount that is the product of the total revenues received by CBBC for the Club Seat Season Tickets at the prices stated in or established pursuant to Section 4.4 less the amount required to permit CBBC to retain an amount equal to one thousand forty dollars ($1,040) for every Club Seat that is licensed to a Club Seat Licensee by CBBC during the second Season.

4.6 Luxury Suite Tickets. On or before the January 1 that precedes the first Season, and on or before the January 1 that precedes each subsequent Season thereafter, Team Owner shall establish the admission ticket prices per Baseball Home Game for the Luxury Suite Tickets, but in no event shall the price per ticket be greater than the price then being charged by Team Owner for admission tickets for the Lower Box Seats that are not the subject of a Charter Seat License Agreement. Team Owner shall sell to CBBC, and CBBC shall purchase from Team Owner, Season Tickets for Luxury Suites (the "Luxury Suite Tickets") at the prices established by Team Owner in accordance with the preceding sentence. The number of Luxury Suite Tickets to be purchased shall be equal to the number of Luxury Suite Tickets that are required to satisfy CBBC's obligations under the Luxury Suite License Agreements with the Luxury Suite Patrons and shall be provided to the Luxury Suite Patrons by CBBC in accordance with the terms of the Luxury Suite License. CBBC shall pay to Team Owner the face value of the Luxury Suite Tickets for every seat

located in a Luxury Suite that has been licensed to a Luxury Suite Patron and CBBC shall not be entitled to any discount for such tickets. Notwithstanding the foregoing, Team Owner acknowledges that CBBC shall retain all other fees, including suite license fees and annual fees, payable by the Luxury Suite Patrons under the Luxury Suite License Agreements.

4.7 Charter Seats. Each Season during the Term, CBBC, as sales agent for and on behalf of Team Owner, shall sell in accordance with the terms hereof Season Tickets to those Person(s) who have purchased Charter Seat Rights from CBBC (the "Charter Seat Licensees") at such price or prices as Team Owner shall establish from time to time. CBBC shall remit to Team Owner the face value as so established by Team Owner of all Season Tickets sold to Charter Seat Licensees, without discount. At least thirty (30) days prior to the commencement of each Season, CBBC shall notify Team Owner of the number of Season Tickets that CBBC will require for sale to the Charter Seat Licensees. In accordance with the terms of the Charter Seat License Agreements, CBBC, as sales agent for and on behalf of Team Owner, shall sell the Season Tickets to the Charter Seat Licensees. CBBC shall not share in any revenues received in connection with the sale of Season Tickets to Charter Seat Licensees. The terms and conditions of the Charter Seat License Agreements between CBBC and the Charter Seat Licensees shall be subject to Team Owner's approval. Notwithstanding the foregoing, Team Owner acknowledges that CBBC shall retain all other fees and amounts, including the Charter Seat License fee, payable by the Charter Seat Licensees under the Charter Seat License Agreements.

4.8 Sales of Tickets by Team Owner. If prior to the commencement of a Season, any Club Seat, Luxury Suite or Charter Seat in the Ballpark is not subject to a seat license agreement with CBBC, Team Owner may, from time to time during the Season in question, sell single admission tickets for Baseball Home Games to third parties for those Club Seats, Luxury Suites and Charter Seats that are not subject to a license agreement with CBBC. **[Set minimum single ticket price at 20% over CBBC's Club Seat price for that season?]** Notwithstanding the preceding sentence, in the event CBBC enters into a license agreement for Club Seats, a Luxury Suite or Charter Seats at any time following the commencement of a Season, thereafter Team Owner shall not be permitted to sell any admission tickets to third parties for those seats that are the subject of such license agreements. In no event shall Team Owner be permitted to sell Season Tickets for the Club Seats, the Luxury Suites or the Charter Seats.

4.9 Post Season Games; All Star Games; and Other Baseball Activities. Team Owner shall sell directly to each Club Seat Licensee, each Luxury Suite Patron and each Charter Seat Licensee admission tickets for all Post Season Games, All Star Games scheduled to be played at the Ballpark or other Baseball Activity available to the general public at the Ballpark at such prices as Team Owner shall establish in its discretion, subject to Baseball Rules and Regulations. CBBC shall not share in the revenue received by Team Owner in connection with the sales of such admission tickets.

4.10 Premium Seating Revenue Sharing. Fifty percent (50%) of the Premium Seating Revenue received by CBBC each Season shall be paid to Team Owner by CBBC

between the period December 1 through December 31 of the year in which such Season occurs; provided, however, that so long as the Development Loan obtained by CBBC to finance the development of the Ballpark Complex (or any refinancing thereof which does not increase the principal amount thereof) and which provides for payment of principal and interest of such loan in combined equal level installments of principal and interest, or equal level installments of principal, with accrued interest, over a period of time not longer than the Initial Term remains outstanding, the amount of such Premium Seating Revenue to be paid over to Team Owner each year shall be reduced by any portion thereof, up to the whole amount thereof, as may be required, after CBBC has first applied all of its Net Operating Cash Flow received during that year, to pay the scheduled debt service on such loan during that year.

ARTICLE 5

CONCESSIONS REVENUE SHARING; STADIUM CLUB

5.1 Concessionaire(s). CBBC shall have the right to operate the Concession Facilities at the Ballpark during Baseball Home Games, other Baseball Activities and Other Events, and CBBC shall, from time to time, enter into a management or other agreement with one or more concessions operator(s) ("Concessionaire(s)") whereby the Concessions Facilities at the Ballpark will be operated during Baseball Home Games and other Baseball Activities attended by the public, as well as Other Events or other activities of CBBC as

CBBC and such Concessionaire(s) shall agree (the "Concessions Agreement"). Team Owner shall have no right to sell food, beverages or retail merchandise in the Ballpark Complex at any time except in Team Owner's retail store located in the Ballpark or the Related Improvements and shall have no right to license the right to sell food, beverages or retail merchandise in the Ballpark Complex to any third party (except for such retail store). The terms of each Concessions Agreement concerning operation of the Concessions Facilities during Baseball Home Games and other Baseball Activities, and any material amendment to any such terms, shall be subject to the prior written approval of Team Owner. Team Owner acknowledges that it has approved the Concessions Agreement between CBBC and Volume Services, Inc., a Delaware corporation, dated as of April 30, 1997 (the "Existing Concessions Agreement").

5.2 Concessions Revenue Payments. During the Term, CBBC shall pay to Team Owner fifty percent (50%) of all Concessions Revenue payable by Concessionaire(s) to CBBC pursuant to the Concessions Agreement, as and when such payments are made to CBBC. Notwithstanding the foregoing, in no event shall CBBC receive less than the amount payable to it as a minimum guaranty (the "Minimum Concession Guaranty") under section 8.4 of the Existing Concessions Agreement and Team Owner shall not receive its share of the Concession Revenue until the Minimum Concession Guaranty has been paid to CBBC for the applicable Season. Once the Minimum Concession Guaranty has been paid to CBBC for the applicable Season, Team Owner shall receive all amounts of the Concession Revenue that exceed the amount of the Minimum Concession Guaranty paid to CBBC up to an amount that equals the amount of the Minimum Concession Guaranty for the Season in

question. Once CBBC and Team Owner have each received amounts equal to the Minimum Concession Guaranty for the applicable Season, all amounts received in excess thereof shall be equally shared by CBBC and Team Owner. CBBC covenants that it shall exercise its rights and enforce the obligations of its Concessionaire(s) under the Concessions Agreement by all commercially reasonable means in order to maximize the amount of Concessions Revenue to be shared between Team Owner and CBBC in accordance with this Article.

5.3 Team Owner's Approval Rights Re Products and Other Matters. Due to sponsorships, radio and television advertising revenues and arrangements, and other factors affecting Team Owner, Team Owner shall have the right to approve the brand, kind and quality of foods, beverages and other products or items which may and shall be selected by CBBC to be provided by the Concessionaire(s) to patrons at Baseball Home Games and other Baseball Activities held in the Ballpark and of the prices charged therefor. In addition, as to all matters affecting concessions operations during Baseball Home Games and other Baseball Activities, CBBC shall instruct its Concessionaire(s) as Team Owner may reasonably direct. Team Owner agrees that CBBC shall have the right to retain any payments from vendors for being selected by CBBC and the Concessionaire(s) to provide food and drink items, merchandise and available services at Baseball Home Games and other Baseball Activities and that any such payments made to Team Owner shall be paid to CBBC. CBBC and Team Owner shall meet in advance of each Baseball Occupancy Period with the Concessionaire(s) to review the Concessionaires' budget and plans for the succeeding year insofar as they are relevant to Baseball Home Games and other Baseball Activities. CBBC shall deliver to Team Owner a copy of each accounting statement or

other notice of a material nature which CBBC shall receive from time to time from the Concessionaire(s) promptly following CBBC's receipt of such statement or notice; and upon the reasonable request of Team Owner, CBBC shall exercise its audit and other rights as may exist under the Concessions Agreement.

5.4 Stadium Club. CBBC and Team Owner shall use commercially reasonable efforts to establish a Stadium Club at the Ballpark or the Related Improvements. CBBC shall be responsible for the operations of the Stadium Club; however, Team Owner shall be permitted to sell memberships to the Stadium Club for use of the Stadium Club during Baseball Home Games and other Baseball Activities ("Baseball Memberships"). Team Owner shall be entitled to retain all dues received by it for Baseball Memberships and charges received by it for admission to the Stadium Club during Baseball Home Games and other Baseball Activities by those patrons who do not own Baseball Memberships. CBBC shall be permitted to sell membership dues and charge admission prices to the Stadium Club for all Other Events and all revenue earned in connection with such memberships and admission charges shall be retained by CBBC. All revenue received in connection with the sale of food, beverages and novelties in the Stadium Club shall belong to CBBC regardless of whether such sales occur during Baseball Home Games or other Baseball Activities, and Team Owner shall have no right to share in any such revenue.

ARTICLE 6

OPERATING OBLIGATIONS

6.1 CBBC's Operating Responsibility. CBBC, at its expense, shall operate, or cause the Ballpark and Related Improvements to be operated, as a first class open air Major League Baseball park and related first class office and retail improvements and in a professional, businesslike and efficient manner. CBBC shall not, or in the event CBBC subcontracts, licenses or otherwise assigns its rights to any other Person, permit such other Person to, take any of the following actions without the prior written consent of Team Owner during the Term:

(a) Permit any Concessionaire to assign its interest in the Concessions Agreement, including the Concessionaire under the Existing Concessions Agreement;

(b) Amend, supplement, modify or terminate the Existing Concessions Agreement or any other subsequent Concessions Agreement;

(c) Enter into any management agreement in which CBBC delegates to another Person or Persons performance of its obligations and exercise of its rights under this Lease Agreement or, after any such

management agreement has been entered into, amend, supplement, modify or terminate such agreement;

(d) Sell, rent or furnish any merchandise, articles or services at the Ballpark or the Related Improvements, or permit any other Person to sell, rent or furnish any of the same, that, in Team Owner's reasonable judgment, is of poor quality, unsatisfactory in nature, harmful or dangerous to the health or safety of the public, damaging to the image of a professional Major League Baseball team or that will damage the Field in any way;

(e) Enter into any contracts for advertising in and on the interior or exterior of the Ballpark and/or the Related Improvements, including scoreboard advertising, advertising on the concourses or video advertising in the Ballpark.

6.2 Utilities. CBBC shall bear the expense of and pay the costs and charges of all water, sewer, gas, electricity and other utilities used in the Ballpark and the Related Improvements including, without limitation, those used by Team Owner in the Exclusive Use Areas or in the course of exhibiting Baseball Home Games or other Baseball Activities at the Ballpark (the "Utilities"). CBBC shall provide the Utilities in sufficient quantities as may be needed by Team Owner for the conduct of its operations at the Ballpark and the Related Improvements in accordance with its rights under this Agreement, without any cost, charge or expense being assessed to Team Owner.

6.3 Cleaning. CBBC, at its expense, shall be responsible for cleaning the entire Ballpark and Related Improvements including the Exclusive Use Areas and including the Ballpark seating bowl, concourses, the Field, Concessions Facilities, bathrooms, and other public use areas (including the plazas and Waterfront Promenade outside the perimeter of the Ballpark) on the Property and to the extent required by Regulatory Approvals, the Ground Lease, the OPA or Laws, the adjacent public sidewalks and any other public or private areas outside the perimeter of the Property. Team Owner shall not bear any expense in connection with such cleaning. Such cleaning, as to the Ballpark, shall be consistent with the operation of a first class Major League Baseball park facility exhibiting Major League Baseball games; and such cleaning of the Related Improvements shall be done to the standards of a first class office or retail building in the San Francisco downtown area, as applicable in accordance with the use of such Related Improvements.

6.4 Ballpark Security. During the Term, CBBC shall, at its expense, provide such permanent security guards and night watchmen as may be necessary in order to provide twenty-four (24) hour per day, year-round protection and security of the Ballpark and the Related Improvements and other public use areas (including the plazas and Waterfront Promenade outside the perimeter of the Ballpark and on the Property). In addition, during the Term, CBBC shall, at its expense, provide such event day security personnel as are necessary and reasonable, as determined by Team Owner, during Baseball Home Games and Baseball Activities.

6.5 Offsite Parking. CBBC shall use commercially reasonable efforts to arrange with the owners of those parcels of real property located immediately south of the China Basin Channel and depicted on Schedule 6.5 hereto to provide interim surface parking for Baseball Home Games and Baseball Activities in an amount equal to at least 5,000 parking spaces until the year 2015. Thereafter, CBBC shall use commercially reasonable efforts to arrange for permanent parking in the areas that are redeveloped in the area south of China Basin Channel. Team Owner shall have the right to approve the rates charged for parking in the south channel parking areas during Baseball Home Games and Baseball Activities to the extent such parking areas are controlled by CBBC, which rates shall not be unreasonable. Notwithstanding the foregoing, to the extent CBBC controls such parking areas, CBBC shall not permit the fees charged for such parking spaces to be greater than the rates charged from time to time for parking during professional sporting events that draw a minimum of 20,000 people at 3Com Park at Candlestick Point (or its equivalent replacement) and the Oakland-Alameda County Coliseum, whichever are higher.

6.6 Real Property Taxes. CBBC shall pay as and when due all real property taxes, possessory interest taxes, parcel taxes, or other assessments, taxes or impositions of every nature or description which are assessed to, charged against or imposed on CBBC as Tenant under the Ground Lease on account of the Leasehold Estate or on Team Owner on account of its leasehold interest under this Lease Agreement, or on the Baseball Complex; and Team Owner shall not bear any cost or expense in connection with any such impositions.

6.7 Team Owner's Covenant Re Baseball Home Games. Team Owner covenants to CBBC that, during the Term, Team Owner shall cause all Baseball Home Games to be played at the Ballpark, except as follows:

(a) Up to two (2) exhibition Baseball Home Games each year (prior to the beginning of the regular Season) may be played at a location other than the Ballpark; and

(b) Each year during the regular Season the Team may play up to three (3) Baseball Home Games in a foreign country if such games are recognized by the National League; and

(c) Any number of Baseball Home Games may be played at such other location or locations as Team Owner may, in its discretion, determine, in the event the Ballpark is unavailable for such games on account of Force Majeure.

6.8 Covenant Not to Relocate Franchise During Term. During Term the Team Owner shall not relocate the franchise for the Team from San Francisco unless (i) Team Owner has terminated this Lease Agreement on account of a material breach by CBBC pursuant to Section 20.4 or (ii) Team Owner has terminated this Lease Agreement pursuant to Section 1.4 above [failure to complete ballpark by April 1, 2002] or (iii) this Lease Agreement terminates or Team Owner exercises a right to terminate this Lease Agreement

under Article 13; or (iv) CBBC exercises its right to terminate the Ground Lease pursuant to Section 6 of the Ground Lease [excess capital repairs required to comply with Laws] and the Ground Lease terminates; or (v) this Lease Agreement terminates or Team Owner exercises a right to terminate this Lease Agreement under Article 14; or (vi) the Ground Lease terminates for any reason and a new lease is not issued to a Mortgagee of CBBC's Leasehold Estate pursuant to Section 42 of the Ground Lease.

6.9 No Termination or Amendment to Ground Lease. CBBC shall not terminate or cancel the Ground Lease without the prior written consent of Team Owner, which consent may be withheld in Team Owner's sole discretion. CBBC shall not amend, modify or alter the terms of the Ground Lease without Team Owner's prior written consent if such amendment, modification or alteration would materially or adversely affect Team Owner's rights under this Lease Agreement, as reasonably determined by Team Owner.

ARTICLE 7

REPAIR AND MAINTENANCE

7.1 CBBC's Covenant to Repair and Maintain the Premises. Throughout the Term CBBC shall maintain and repair, at CBBC's expense and, except as otherwise expressly provided in this Article, at no cost to Team Owner, the Ballpark Complex (including the bulkhead wall and pier substructure) and all Improvements located thereon in

first-class condition and repair and in compliance with all applicable laws and the requirements of this Lease Agreement. CBBC shall promptly make (or cause others to make) all necessary or appropriate repairs, renewals and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, reasonable wear and tear excepted, except as otherwise provided in Section 8.1 [compliance with laws], Section 13.3 [damage and destruction] and Section 14.3 [condemnation].

7.2 Maintenance Standard. Without limiting Section 7.1, CBBC shall, commencing upon the occupancy of the Ballpark Complex, or any portion thereof, following substantial completion of construction as to the part so occupied, and continuing thereafter during the Term of this Lease Agreement, maintain the Ballpark Complex (or the portion thereof which has been so occupied) in safe and first-class condition and repair, subject to the provisions of Sections 8.1, 13.3 and 14.3. In addition, for so long as Major League Baseball continues to be played in the Ballpark, CBBC shall maintain (or cause others to maintain) the Ballpark Complex in a manner that is consistent with all applicable requirements imposed by Baseball Rules and Regulations.

7.3 Facilities Condition Report. CBBC shall deliver to Team Owner a copy of each facilities condition report which CBBC submits to Landlord under the Ground Lease pursuant to Section 7.2 of the Ground Lease, concurrently with its submission to Landlord under the Ground Lease.

7.4 CBBC's Specific Obligations. Without limiting the provisions of Section 7.1 and 7.2, CBBC shall be responsible and pay for all Routine Maintenance and all Capital Repairs for the Ballpark Complex except as otherwise expressly provided in this Lease Agreement. CBBC shall have the right to discharge its obligations for Routine Maintenance and Capital Repairs through one or more other contractors, subcontractors, licensees or sublicensees, including the Concessionaire(s) as to the Concessions Facilities.

7.5 Maintenance and Repair Procedures.

(a) On or before February 1 of each year during the Term, and from time to time during the Term as either CBBC or Team Owner may reasonably request, not more often than once each month, representatives of CBBC and Team Owner shall meet to:

(i) Review a list of, and the proposed procedures for, completing any anticipated work constituting Routine Maintenance and Capital Repairs (which list shall be prepared by CBBC and delivered to Team Owner prior to any such meeting);

(ii) Allocate any such anticipated work between Routine Maintenance and Capital Repairs;

(iii) Establish budgets and timetables for required Routine Maintenance and Capital Repairs; and

(iv) Establish necessary programs generally to effectuate the administration of the provisions of this Article.

(b) All Routine Maintenance and Capital Repairs reasonably requested by Team Owner shall be conducted and completed by CBBC subject to Team Owner's approval. CBBC shall use its best efforts to advise Team Owner of its views as early as possible regarding Routine Maintenance and Capital Repairs.

7.6 Capital Repairs Fund. CBBC shall establish and maintain an account (the "Capital Repairs Fund"), the purpose of which shall be to accumulate funds for the payment of the cost of Capital Repairs for which CBBC is financially responsible hereunder. The Capital Repairs Fund shall be established with a Permitted Escrow Agent and the funds therein invested in Permitted Investments. On or before December 31 of the year in which Opening Day occurs, CBBC shall deposit the Initial Capital Repairs Fund Deposit into the Capital Repairs Fund. In addition, on or before December 31 of each succeeding year during the Term, CBBC shall deposit the Annual Capital Repairs Fund Deposit into the Capital Repairs Fund. All funds in the Capital Repairs Fund shall be the property of CBBC. The Capital Repairs Fund may be drawn only on the signature of the designated signatory or signatories of CBBC and the funds deposited therein may be used only to pay for Capital Repairs for which CBBC is financially responsible hereunder, other than those arising out of damage which is caused by a risk then covered by an insurance policy maintained by CBBC covering damage to the Ballpark Complex (such as the insurance referred to in clauses 1, 2 and 5 of Section 17.1) (except that the Capital Repairs Fund may be used for covered losses

pending receipt of insurance proceeds, but such proceeds shall thereafter be deposited into the Capital Repairs Fund). Notwithstanding anything in this Lease Agreement to the contrary, CBBC's financial responsibility with respect to Capital Repairs shall not be limited to the Funds in the Capital Repairs Fund. To the extent that CBBC can require certain Capital Repairs to be funded by a replacement reserve fund established under the Existing Concessions Agreement, or any future Concessions Agreement, covering the Concessions Facilities, CBBC shall use such funds to the extent available prior to using funds in the Capital Repairs Fund. CBBC's use of the Capital Repairs Fund shall be subject to such approval, review and other rights as may from time to time be established by the Mortgagee under the Mortgage securing the Development Loan, including without limitation, any right of such Mortgagee to designate or approve the Permitted Escrow Agent. If funds on deposit in the Capital Repairs Fund are insufficient to pay for the cost of a Capital Repair at any time, or are not permitted under the terms of any Mortgage encumbering the Leasehold Estate to be used for paying for such repair, CBBC shall be obligated to pay for such Capital Repair using other sources and shall be reimbursed from the Capital Repairs Fund for the amounts paid from the next monies that are deposited therein or otherwise available therefrom until CBBC shall have been fully reimbursed. At the end of the Term or earlier termination of this Lease Agreement, CBBC shall be entitled to retain any balance then existing in the Capital Repairs Fund, subject to the rights of the holder of any Mortgage encumbering the Leasehold Estate. After the fifteenth (15th) Lease Year, the Annual Capital Repairs Fund Deposit may be adjusted, if the Parties agree that the amount on deposit in the Capital Repairs Fund is either inadequate to constitute a reasonable reserve or in excess of the amount required to constitute a reasonable reserve for Capital Repairs;

provided, however, if the Parties, in good faith, are unable to agree on an adjustment, the Annual Capital Repairs Fund Deposit shall continue at the level determined in accordance with the definition of such phrase in this Lease Agreement.

7.7 Capital Repairs. Except as otherwise provided herein, CBBC shall perform or cause to be performed all Capital Repairs required during the Term at CBBC's expense. All work related to any Capital Repair shall be done in good workmanlike manner and in a reasonable period of time under all of the facts and circumstances.

7.8 Team Owner's Responsibility. During the Term, Team Owner shall not, subject to ordinary wear and tear, damage, disfigure or injure the Ballpark Complex, or any portion thereof, including the Exclusive Use Areas, by Team Owner's willful or criminal misconduct.

7.9 Exclusive Use Areas. Team Owner shall be responsible for all Routine Maintenance and all Capital Repairs of the Exclusive Use Areas to the extent, and only to the extent, that such Routine Maintenance and Capital Repairs result from damage, disfigurement or injury to the Exclusive Use Areas caused by Team Owner in breach of its obligations under Section 7.8. CBBC shall be responsible and pay for all other Routine Maintenance and Capital Repairs to the Exclusive Use Areas as Team Owner shall reasonably request from time to time, at no cost or expense to Team Owner.

7.10 Work Standards. CBBC shall cause all work related to any Capital Repair or any Routine Maintenance to be done in a good and workmanlike manner.

7.11 Team Owner's Self-Help. If CBBC fails to perform any required Routine Maintenance or Capital Repair, Team Owner may perform such Routine Maintenance or Capital Repair and shall be entitled to reimbursement, including, but not limited to, payment from the Capital Repairs Fund. When feasible, Team Owner shall give CBBC prompt notice thereof; provided, however, in the case of a Capital Repair or Routine Maintenance which in Team Owner's good faith determination will cost more than five thousand dollars ($5,000) to complete, Team Owner will give CBBC not less than twenty-four (24) hours' notice prior to commencement of such work unless such delay could affect public health or safety or the ability of Team Owner to exhibit regularly scheduled Baseball Home Games or other Baseball Activities at the Ballpark.

ARTICLE 8

COMPLIANCE WITH LAWS AND OTHER REQUIREMENTS

8.1 CBBC's Obligation. CBBC at its expense shall comply with all Laws, Baseball Rules and Regulations, Regulatory Approvals, Covenants, Conditions and Restrictions and requirements of the Ground Lease pertaining to (A) the physical condition

of the Ballpark Complex, except when CBBC is entitled to exercise, and does exercise, its right to terminate the Ground Lease in accordance with the terms of the Ground Lease on account of the cost of such compliance; and (B) CBBC's operations at or use of the Ballpark Complex, either directly or through Agents of CBBC, including all matters pertaining to the attendance of Invitees at Baseball Home Games, Baseball Activities and Other Events.

8.2 Team Owner's Obligation. Team Owner shall comply with all Laws, Baseball Rules and Regulations, Regulatory Approvals, Covenants, Conditions and Restrictions and requirements of the Ground Lease pertaining to the use by Team Owner of the Premises, either directly or through Agents of Team Owner, except for matters which are the responsibility of CBBC pursuant to Section 8.1.

ARTICLE 9

NAMING RIGHTS

9.1 Agreement with PTG. CBBC and Team Owner have entered into an agreement with Pacific Telesis Group, a Nevada corporation ("PTG") dated July 1, 1996, whereunder the name for the Ballpark is designated as "Pacific Bell Park" and PTG is authorized, subject to the consent of CBBC and Team Owner to designate the logo for the Ballpark, and pursuant to which PTG is authorized to name the Pavilion and permitted to

develop a logo for the Pavilion, subject to the approval of CBBC and Team Owner, which names and logos, once established, can be subsequently changed by PTG during the term of the PTG sponsorship agreement with the consent of CBBC and SFBA. CBBC and Team Owner agree that revenues and other financial benefit from the PTG sponsorship agreement shall be allocated between CBBC and Team Owner as provided in the PTG sponsorship agreement until the end of the term of such Agreement, except as CBBC and SFBA may hereafter mutually agree in writing. During the term of the PTG sponsorship agreement, CBBC and SFBA shall each perform all of their respective material obligations to PTG under the PTG sponsorship agreement and shall cooperate with each other, as reasonably required, in order to enforce the obligations of the PTG to either or both of them during the term of the PTG sponsorship agreement.

9.2 Subsequent Naming Rights Arrangements. Following the termination of the PTG sponsorship agreement, whether on account of the expiration of its stated term or otherwise, compensation for naming rights paid by the party purchasing the same shall be shared equally by CBBC and Team Owner; provided, however, it is understood that compensation for naming rights shall not include payment for advertising opportunities within the Ballpark which shall be exclusively allocated to CBBC, nor advertising opportunities on any radio or television or other media broadcast or program or other print media advertising payments or the right to be identified as a sponsor of the Team in its product category, which revenue shall be allocated exclusively to Team Owner.

ARTICLE 10

BALLPARK ADVERTISING

10.1 CBBC's Rights Regarding Advertising. CBBC shall have the sole and exclusive right to place and license others to place advertising and signs on all scoreboards, walls and any other areas within, on or around the Ballpark Complex, subject to the rights of Team Owner specified in Sections 10.2 and 10.3, the rights of PTG under the PTG Sponsorship Agreement for so long as said Agreement is in effect and subject to CBBC's obligations under Section 8.1. CBBC's rights extend to and include all areas within the Ballpark which are visible from the seating bowl or the passageways, concourses and other facilities used by the public while attending a Baseball Home Game, a Baseball Activity or an Other Event or other Permitted Use of the Ballpark. CBBC shall be entitled to retain all revenue generated by such advertising and Team Owner shall not be entitled to participate in the same.

10.2 Team Owner's Right of Approval and First Refusal. Prior to placing any advertising sign on or in the Ballpark Complex, as to any such advertising sign which will be in place during a Baseball Occupancy Period, CBBC shall:

(a) Obtain, before placing any such advertising sign, the prior approval of Team Owner; and

(b) Provide to Team Owner, for use by Team Owner's advertisers and sponsors, a right of first refusal to obtain advertising positions as they become available at or in the Ballpark Complex.

On or before January 1 of each year during which the Team is scheduled to play Baseball Home Games at the Ballpark, CBBC shall meet with representatives of Team Owner and provide such representatives with a list of the advertising positions at or in the Ballpark Complex which are available for selection by advertisers or sponsors designated by Team Owner, and the price or prices at which such positions will be available during such Baseball Occupancy Period and/or subsequent Baseball Occupancy Periods. Team owner shall have thirty (30) days to inform CBBC in writing if any of Team Owner's advertisers or sponsors wish to select any of the available advertising positions, the duration of their selection(s) (i.e., one or more Baseball Occupancy Periods) to the extent periods other than the current Baseball Occupancy Period may be selected, and CBBC shall prepare and submit to the designated party its standard form of agreement regarding advertising for execution by such designated party. As to any advertising position which has not been so designated by Team Owner, and as to any advertising position which is so designated but as to which the party designated fails to return an executed advertising agreement within ten (10) days of CBBC's submittal, CBBC shall be free to offer any such advertising position to any other person or company, subject to Team Owner's approval rights as provided in Section 10.3.

10.3 Team Owner's Approval Rights. Notwithstanding any other provision of this Lease Agreement, Team Owner shall have the right to withhold its approval of any

advertising proposed at or in the Ballpark Complex which will be in place during a Baseball Occupancy Period if such advertising (A) would fail to comply with applicable Laws, Baseball Rules and Regulations, Covenants, Conditions and Restrictions, Regulatory Approvals or, except to the extent waived by the Landlord, the provisions of the Ground Lease; or (B) if such advertising would conflict with an existing exclusive advertising/ promotion agreement by Team Owner with a party for advertising on radio, television or other media transmissions of the Team's Home Baseball Games or an exclusive sponsorship agreement by Team Owner with such party. Team Owner shall also have the right to refuse to approve advertising which, in the reasonable judgment of Team Owner, will be offensive or objectionable to users of the Ballpark during a Baseball Occupancy Period, including the general public. In connection with Other Events, CBBC shall have the right during any such Other Event, whether or not during a Baseball Occupancy Period, to display, during the duration of such Other Event only, any advertising it chooses to display without first obtaining the approval of Team Owner, provided such display would not be a breach by CBBC of its obligations to the Landlord under the Ground Lease.

ARTICLE 11

TELEVISION, RADIO, INTERNET AND OTHER MEDIA

11.1 Team Owner's Rights. Team Owner retains exclusive rights regarding any transmission, via radio, television, Internet or otherwise, whether denominated as over the

air, free, pay, cable, satellite or otherwise, of Baseball Home Games, Post Season Games, and any other Baseball Activity, the content of any such transmission and all revenues generated therefrom, including all revenues from advertising on such media in connection with any such transmission. Team Owner shall have the right to license third parties to exercise any such rights ("Media Parties") and to grant Media Parties and their respective agents full access to the Premises during each Baseball Occupancy Period to permit any such persons to exercise such rights.

ARTICLE 12

TEAM PROMOTIONS/SPONSORSHIPS

12.1 Team Owner's Rights. Team Owner shall have the right to make sponsorship/promotional arrangements with any other Person and associate the Team with the product or service of such Person without restriction, except for such restrictions as may apply to use of the Premises under this Lease Agreement in connection with such use. Team Owner shall be entitled to all the revenue from any such arrangement, except as it shall separately agree in writing from time to time with CBBC in connection with joint Team/Ballpark promotions or sponsorships.

ARTICLE 13

DAMAGE AND DESTRUCTION

13.1 CBBC's Obligation to Restore. If, at any time during the Term, a fire or other casualty causes damage to or destruction of the Ballpark Complex, or any portion thereof, and as a consequence of such damage or destruction CBBC is obligated under the Ground Lease to Restore the Ballpark Complex, or if CBBC, any Mortgagee of CBBC's Leasehold Estate or successor Tenant under the Ground Lease, or the Landlord under the Ground Lease voluntarily elects to Restore the Ballpark Complex and gives Team Owner written notice of such election within nine (9) months after the event causing such casualty, then CBBC or such other Person, as applicable, shall use commercially reasonable efforts to Restore the damaged portion of the Ballpark Complex in accordance with the applicable provisions of the Ground Lease and within a reasonable period of time, given all the facts and circumstances.

13.2 Rent Abatement. Except as otherwise provided in this Article 13, this Lease Agreement shall not terminate on account of damage to or destruction of the Ballpark Complex, or any portion thereof, but the obligation of Team Owner to pay Rent from the date of such damage or destruction to the date that the damaged portion of the Ballpark Complex is Restored shall be abated to the extent that such damage or destruction, or the Restoration of the Ballpark Complex, interferes with the ability of Team Owner to use the Premises as provided in this Lease Agreement. The amount of Rent that is abated and the

period of such Rent abatement shall be determined based on the economic value of Team Owner's deprived use of the Premises or, if applicable, the cost incurred by Team Owner in locating and occupying temporary premises in lieu of the damaged or unavailable portions of the Exclusive Use Areas.

13.3 CBBC's Right to Demolish. If CBBC has a right to Demolish the Ballpark and the Related Improvements, or either of them, and terminate the Ground Lease on account of damage or destruction to the Ballpark Complex, and CBBC exercises such right, CBBC shall send a copy of the notice exercising such right sent to Landlord under the Ground Lease to Team Owner concurrently with giving such notice to such Landlord, and this Lease Agreement shall terminate concurrently with the termination of the Ground Lease unless the Landlord under the Ground Lease sends written notice to CBBC as Tenant under the Ground Lease and to Team Owner that such Landlord elects to waive Demolition and require CBBC to deliver possession of the Ballpark Complex to such Landlord in its then-existing condition, subject to the rights of Team Owner under this Lease Agreement and any other subtenants of CBBC then remaining in possession. This Lease Agreement shall terminate within ninety (90) days after receipt of such notice from Landlord under the Ground Lease unless such Landlord notifies Team Owner that such Landlord elects to Restore the Ballpark Complex, in which event this Lease Agreement shall continue, subject to abatement of Rent as provided in Section 13.2, and subject to the right of Team Owner to terminate as provided in Section 13.4.

13.4 Team Owner's Right to Terminate. If the Ballpark is not Restored so it may be used to exhibit Baseball Home Games and other Baseball Activities by the Ballpark Restoration Deadline, or if Team Owner reasonably concludes, under all the facts and circumstances, that the Ballpark cannot be Restored by the Ballpark Restoration Deadline, then Team Owner shall have the right to terminate this Lease Agreement by written notice to CBBC, the Mortgagee(s) of CBBC's Leasehold Estate (if any) and the Landlord under the Ground Lease effective on the date specified in such notice, which date shall not be less than ninety (90) days after such notice is given; provided, however, such notice shall be deemed revoked, and this Lease Agreement shall not terminate, if CBBC, any successor to CBBC as Tenant under the Ground Lease, any such Mortgagee, or such Landlord demonstrates, to Team Owner's reasonable satisfaction, that the Ballpark Complex can be Restored by the Ballpark Restoration Deadline. Team Owner shall have the right to terminate this Lease Agreement pursuant to this Section 13.4 even though an event of Force Majeure that is not due to acts of Team Owner has prevented the Restoration of the Ballpark by the Ballpark Restoration Deadline.

ARTICLE 14

CONDEMNATION

14.1 General. If, at any time during the Term, there is any Condemnation of all or any portion of the Ballpark Complex, including any portion of the Ballpark or the Related

Improvements, the rights and obligations of the Parties shall be determined pursuant to this Article. In case of the commencement of any proceedings or negotiations which might result in a Condemnation of all or any portion of the Ballpark Complex during the Term, the Party learning of such proceeding shall promptly give notice of such proceedings or negotiations to the other Party. Such notice shall describe with as much specificity as is reasonable, the nature and extent of such Condemnation or the nature of such proceedings or negotiations and of the Condemnation which might result therefrom, as the case may be. Except as otherwise provided in this Article 14, the Parties intend that the provisions of this Lease Agreement shall govern their respective rights and obligations in the event of a Condemnation. Accordingly, but without limiting any right to terminate this Lease Agreement expressly granted Team Owner in this Article 14, Team Owner waives any right to terminate this Lease Agreement upon the occurrence of a partial Condemnation under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure, as such sections may from time to time be amended, replaced or restated.

14.2 Total Condemnation. If there is a Condemnation of the entire Baseball Complex or of the Leasehold Estate of CBBC as Tenant under the Ground Lease (a "Total Condemnation"), this Lease Agreement shall terminate as of the Condemnation Date.

14.3 Partial Condemnation. A Partial Condemnation may be either a Material Condemnation or a Non-Material Condemnation.

(a) Material Condemnation. If there is a Condemnation of any portion less than all of the Ballpark Complex, and Tenant under Section 13.3 of the Ground Lease has the right to terminate, and exercises its right to terminate, the Ground Lease on account of a Material Condemnation (as therein defined), then this Lease Agreement shall terminate. If CBBC elects not to terminate the Ground Lease on account of a Material Condemnation or if the Landlord under the Ground Lease exercises its right to provide additional funds and to require the Tenant to Restore the Ballpark Complex, then this Lease Agreement shall not terminate, except as otherwise provided in Section 14.6.

(b) Non-Material Condemnation. If there is a Condemnation of any portion of the Ballpark Complex or Tenant's Leasehold Estate which does not give Tenant the right to terminate the Ground Lease, this Lease Agreement shall terminate only as to the portion of the Premises taken in such Partial Condemnation, effective as of the Condemnation Date. In the case of Non-Material Condemnation or in the case of a Material Condemnation which does not result in a termination of this Lease Agreement, CBBC as Tenant under the Ground Lease shall Restore the Ballpark Complex remaining and the Rent for the remainder of the Premises shall be adjusted to reflect the diminution in value to Team Owner of the remaining portion of the Premises for the balance of the Term.

14.4 Awards. Any Award received by CBBC as Tenant under the Ground Lease on account of a Condemnation or a partial condemnation shall be allocated between CBBC and Team owner so that each of CBBC and Team Owner shall be allocated the value of their respective interests in the Premises (to the extent Condemned) together with interest

thereon from the Condemnation Date to the date of payment at the rate paid on the Award, and Attorneys' Fees and Costs to the extent awarded. The values of CBBC's and Team Owner's respective interests in the Premises shall be established by the same court of law or other trier of fact that establishes the amount of the Award; provided, however, in the event that CBBC is undertaking to Restore the Ballpark Complex, the entire amount of the Award allocated to CBBC shall first be used to pay costs of Restoration and any remainder shall be allocated to Team Owner, to the extent of diminution in value of its estate under this Lease Agreement, and the balance to CBBC (except as otherwise provided in any Mortgage encumbering the Leasehold Estate).

14.5 Temporary Condemnation. If there is a Condemnation of all or any portion of the Baseball Complex for a temporary period lasting less than the remaining Term of this Lease Agreement ("Temporary Condemnation"), and such Temporary Condemnation does not prevent Team Owner from exercising its rights and using the Premises substantially as allowed under this Lease Agreement (including the exhibition of Baseball Home Games and any other Baseball Activities), then this Lease Agreement shall not terminate and Team Owner shall be entitled to an adjustment to its Rent in the same manner as determined in Section 14.3(b). However, if the Temporary Condemnation will interfere substantially with the ability of Team Owner to exhibit Baseball Home Games or conduct other Baseball Activities, and such Temporary Condemnation is for a period of two (2) full Seasons or more, then Team Owner shall have the right to terminate this Lease Agreement by written notice to CBBC and the Landlord under the Ground Lease effective on the date specified in such notice, which date shall not be less than ninety (90) days after such notice is given.

CBBC as Tenant under the Ground Lease shall be entitled to the entire Award on account of a Temporary Condemnation.

14.6 Team Owner's Right to Terminate. In the case of Material Condemnation, if the Ballpark is not Restored so that Team Owner may exhibit Baseball Home Games and conduct other Baseball Activities by the Ballpark Restoration Deadline, or if the Team Owner reasonably concludes, under all the facts and circumstances, that the Ballpark cannot be restored by the Ballpark Restoration Deadline, then Team Owner shall have the right to terminate this Lease Agreement by written notice to CBBC, the Mortgagee of CBBC's Leasehold Estate (if any) and the Landlord under the Ground Lease effective on the date specified in such notice, which date shall not be less than ninety (90) days after such notice is given; provided, however, such notice shall be deemed revoked, and this Lease Agreement shall not terminate, if CBBC, any successor to CBBC as Tenant under the Ground Lease, any such Mortgagee, or such Landlord demonstrates, to Team Owner's reasonable satisfaction, that the Ballpark Complex can be Restored by the Ballpark Restoration Deadline. Team Owner shall have the right to terminate this Lease Agreement pursuant to this Section 14.6 even though an event of Force Majeure that is not due to acts of Team Owner has prevented the Restoration of the Ballpark by the Ballpark Restoration Deadline.

14.7 Rent Abatement. During any period of Temporary Condemnation which materially interferes with the ability of Team Owner to exhibit Baseball Home Games and conduct other Baseball Activities at the Ballpark Complex or otherwise use the Premises as

allowed under this Lease Agreement, and during any period of Restoration that the Ballpark Complex cannot be used by Team Owner for such purposes, the Rent shall abate in the manner as provided in Section 13.2.

ARTICLE 15

ASSIGNMENT AND SUBLEASING

15.1 Restrictions on Team Owner. Except as provided in Section 15.2 below with respect to subleasing its retail space in the Related Improvements and except as provided in Section 15.3 pertaining to Mortgages encumbering Team Owner's leasehold estate under this Lease Agreement, Team Owner shall not assign this Lease Agreement or any of Team Owner's rights under this Lease Agreement, nor sublet the Premises, except to a Permitted Transferee.

15.2 Team Owner's Right to Sublet Retail Space. Notwithstanding the foregoing, Team Owner shall have the right to sublet that portion of its Exclusive Use Areas within the Pavilion which are available for retail use by Team Owner to one or more subtenants, without approval of CBBC, provided that any such subtenant shall be subject to all of the applicable terms of the Ground Lease and this Lease Agreement pertaining to restrictions on use of the subleased premises; and provided, further, that no such sublease shall release Team Owner of its obligations to CBBC with respect to the subleased premises.

15.3 Mortgaging of Team Owner's Leasehold Estate. Notwithstanding anything herein to the contrary, at any time during the Term of this Lease Agreement, Team Owner shall have the right, without CBBC's consent, to mortgage, pledge, encumber, hypothecate or otherwise create security interests in Team Owner's leasehold estate under this Lease Agreement in accordance with the provisions of Article 22 and to transfer such leasehold estate or any interest therein (i) to a Team Owner Mortgagee or other purchaser at a foreclosure sale under the provisions of a Team Owner Mortgage or (ii) to a Team Owner Mortgagee, its designee or nominee by conveyance in lieu of (or under threat of) foreclosure, or pursuant to a bankruptcy court order, provided that such Team Owner Mortgagee, designee or nominee has assumed in writing all of Team Owner's obligations under this Lease Agreement after its acquisition of such leasehold estate and, provided further, that such Team Owner Mortgagee, designee or nominee is a Permitted Transferee.

ARTICLE 16

INDEMNIFICATION

16.1 Indemnification of CBBC. Team Owner shall Indemnify CBBC and the other CBBC Indemnified Parties from and against any and all Losses incurred by or asserted against any such CBBC Indemnified Party, in connection with any injury to or death of any Person or loss or damage to property caused in whole or in part by the negligent act or omission of Team Owner or its Agents arising from (i) any occurrence in or on the Premises

or (ii) the use by Team Owner or its Agents of any part of the Premises or (iii) from any work undertaken by Team Owner or its Agents on the Premises; provided, however, Team Owner shall not be required to Indemnify the CBBC Indemnified Parties against Losses to the extent such Losses are proximately caused by negligence or other actionable misconduct of CBBC or any other CBBC Indemnified Party. If any action, suit or proceeding is brought against any CBBC Indemnified Party, such CBBC Indemnified Party shall promptly notify Team Owner of such action, suit or proceeding.

16.2 Indemnification of Team Owner. CBBC shall indemnify Team Owner and the other Team Owner Indemnified Parties from and against any and all Losses incurred by or asserted against any such Team Owner Indemnified Party, in connection with (i) any injury to or death of any Person or loss or damage to property caused in whole or in part by the negligent act or omission of CBBC or its Agents arising from (i) any occurrence in or on the Ballpark Complex or (ii) the use by CBBC or its Agents of any part of the Ballpark Complex or (iii) from any work undertaken by CBBC or its Agents on, in, under or about the Ballpark Complex; provided, however, CBBC shall not be required to indemnify the Team Owner Indemnified Parties against Losses to the extent such Losses are proximately caused by negligence or other actionable misconduct of Team Owner or any other Team Owner Indemnified Party. If any action, suit or proceeding is brought against any Team Owner Indemnified Party, such Team Owner Indemnified Party shall promptly notify CBBC of such action, suit or proceeding.

16.3 Not Limited by Insurance. The insurance requirements and other provisions of this Lease Agreement shall not limit indemnification obligations of either Team Owner or CBBC under this Article 16.

16.4 Survival. The obligations of Team Owner and CBBC, respectively, to Indemnify each other and certain other Persons as specified in this Article shall survive the expiration or earlier termination of this Lease Agreement with respect to claims made prior to such expiration or earlier termination until such claims have been fully resolved, and with respect to events occurring prior to such expiration or termination.

16.5 Other Obligations. The obligations of Team Owner and CBBC, respectively, to Indemnify each other and certain other Persons as set forth in this Article 16 are in addition to, and in no way shall be construed to limit or replace, any other obligations or liabilities which either Party may have to the other or to such Persons under other provisions of this Lease Agreement or applicable law.

16.6 Defense. The Indemnifying Party shall, at its option, but subject to the reasonable consent and approval of the other Party, be entitled to control the defense, compromise or settlement of any indemnified matter through counsel of the Indemnifying Party's own choice; provided, however, in all cases the other Party shall be entitled to participate in such defense, compromise or settlement at its own expense. If the Indemnifying Party shall fail, however, within a reasonable time following notice from the other Party alleging such failure, to take reasonable and appropriate action to defend such

suit or claim, the other Party shall have the right promptly to hire outside counsel to carry out such defense, the expense of which shall be due and payable to the other Party ten (10) business days after receipt of an invoice by the Indemnifying Party therefor.

ARTICLE 17

INSURANCE

17.1 Insurance to Be Carried by CBBC.

(a) During the Term of this Lease Agreement, CBBC, as Tenant under the Ground Lease, at no cost to Team Owner, shall obtain, maintain and at all times cause to be in effect (1) builder's risk insurance, (2) property insurance (including earthquake and flood insurance), (3) commercial general liability insurance, (4) workers' compensation insurance, (5) boiler and machinery insurance, (6) business automobile insurance, (7) business interruption insurance, (8) watercraft liability insurance and (9) aircraft liability insurance, to the extent, in the amounts and for the periods, and subject to the conditions, requirements and specifications that CBBC, as Tenant under the Ground Lease, is required by the Ground Lease to maintain. Coincident with sending the Landlord under the Ground Lease a certificate or other evidence that the insurance required under the Ground Lease has been obtained, or is being renewed as required under the Ground Lease, CBBC shall send a copy of such certificate or other evidence to Team Owner.

17.2 Insurance to Be Carried by Team Owner.

(a) During the Term of this Lease Agreement, Team Owner, at no cost to CBBC, shall obtain, maintain and at all times cause to be in effect, the following types and amounts of insurance:

(1) Personal Property Insurance. Upon commencement of the Term, Team Owner shall maintain "Special Cause of Loss" policies of personal property insurance (including earthquake and flood insurance subject to the limitations described below) in an amount not less than 100% of the then-current full replacement cost of Team Owner's Tangible Personal Property, subject to reasonable deductible amounts and separate sublimits and/or deductible amounts for earthquake insurance and flood insurance, to the extent such insurance is available at commercially reasonable rates from recognized carriers; provided, however, to the extent that such insurance or any of it, is not available at commercially reasonable rates from recognized carriers, then Team Owner's obligation shall be reduced to the maximum amount which is available at commercially reasonable rates from recognized carriers. CBBC shall have no interest in the proceeds of such insurance, which shall be paid exclusively to Team Owner, subject to the provisions of any Team Owner Mortgage.

(2) Commercial General Liability Insurance. Team Owner shall maintain "Commercial General Liability" insurance policies insuring against claims for bodily injury (including death), property damage, personal injury and advertising injury occurring upon the Ballpark Complex, such insurance to afford protection in an amount not less than $10,000,000 each occurrence covering bodily injury and property damage, including contractual liability (which includes coverage of the indemnity in Section 16.1) and products and completed operations coverage, except that such insurance in excess of $1,000,000 may be covered by a so-called "umbrella" or "excess coverage" policy; and except further that such insurance (both the primary policy and the excess policy) may be provided through Team Owner being named as an additional insured under CBBC's primary and excess commercial general liability insurance policies, with Team Owner paying to CBBC any additional premium that CBBC is required to pay in order to have Team Owner included as an additional insured on CBBC's commercial general liability insurance policies (primary and excess).

(3) Workers' Compensation Insurance. During any period in which Team Owner has employees as defined in the California Labor Code, Team Owner shall maintain policies of workers' compensation insurance, including employer's liability coverage, with limits of not less than $1,000,000 each occurrence (except that such insurance in excess of $500,000 each occurrence may be covered by a so-called "umbrella" or "excess

coverage" policy covering all persons employed by Team Owner in connection with its operations at and use of the Premises and with respect to whom workers' compensation claims could be asserted against Team Owner, CBBC or any other Person. In addition, if any employees of Team Owner are eligible for U.S. Longshore and Harbor Workers' Act benefits or Jones Act benefits, Team Owner shall maintain coverage for such benefits, as applicable, with limits of not less than $1,000,000 each occurrence;

(4) Business Automobile Insurance. Team Owner shall maintain policies of business automobile liability insurance covering all owned, non-owned or hired motor vehicles to be used in connection with Team Owner's use and occupancy of the Premises, affording protection for bodily injury (including death) and property damage with limits of not less than $1,000,000 per each occurrence in the form of Combined Single Limit Bodily Injury and Property Damage (except that such insurance in excess of $500,000 per each occurrence may be covered by a so-called "umbrella" or "excess coverage" policy) in respect of bodily injury or death to any number of persons in any one accident or occurrence and for property damage.

(5) Watercraft Liability Insurance. If Team Owner operates, or causes to be operated, any watercraft, Team Owner shall maintain or cause to be maintained, Protection and Indemnity Insurance, with limits of not less

than $1,000,000 each occurrence, including coverage for owned and non-owned watercraft.

(6) Aircraft Liability Insurance. If Team Owner operates, or causes to be operated, any aircraft, Team Owner shall maintain or cause to be maintained, Aircraft Liability Insurance, with limits of not less than $1,000,000 each occurrence, including coverage for owned and non-owned aircraft).

(b) General Requirements. All insurance which Team Owner is required to carry pursuant to this Section 17.2:

(1) Shall be carried under a valid and enforceable policy or policies issued by insurers of recognized responsibility that are rated Best A-:VII or better (or a comparable successor rating) and legally authorized to sell such insurance within the State of California;

(2) Shall name as additional insureds, as to liability insurance, other than the workers' compensation and other liability insurance referred to in Section 17.2(a)(3), the following: CBBC as Tenant under the Ground Lease; the Landlord under the Ground Lease; the City (including its Port); and the Agency, as their interests may appear;

(3) Shall be evaluated by Team Owner and CBBC for adequacy not less frequently than every five (5) years from the commencement of the Term of this Lease Agreement;

(4) Shall provide that no cancellation, modification or termination of such insurance for any reason shall be effective until at least thirty (30) days after mailing or otherwise sending written notice of such cancellation, modification or termination to CBBC;

(5) As to Commercial General Liability insurance only, shall provide that it constitutes primary insurance to any other insurance available to any additional insured, with respect to claims insured by such policy, and that insurance applies separately to each insured against whom claim is made or suit is brought;

(6) Shall provide for waivers of any right of subrogation that the insurer of Team Owner may acquire against CBBC with respect to any losses or damages that are the type covered by the Personal Property Insurance policy required to be carried by this Section 17.2(a)(1);

(7) Shall be subject to the approval of CBBC, which approval shall be limited to whether or not such insurance meets the terms of this Lease Agreement; and

(8) If any of the insurance required hereunder of Team Owner is provided under a claims-made form of policy, Team Owner shall maintain such coverage continuously through the Term and, following the expiration or termination of the Term, Team Owner shall maintain, without lapse for a period of four (4) years beyond the expiration or termination of this Lease Agreement, coverage with respect to occurrences during the Term that give rise to claims made after expiration or termination of this Lease Agreement.

(c) Certificates of Insurance; Right of CBBC to Maintain Insurance. Team Owner shall furnish to CBBC certificates with respect to the policies of insurance required under this Section 17.2, together with copies of each such policy (if CBBC so requests) and evidence of payment of premiums, within thirty (30) days after the commencement of the Term and at least ten (10) business days prior to the expiration date of each such policy. If at any time Team Owner fails to maintain the insurance required pursuant to this Section 17.2, or fails to deliver certificates or policies as required pursuant to this Section 17.2(c), then upon five (5) business days' written notice to Team Owner, CBBC may obtain may cause and cause to be maintained in effect such insurance by taking out policies with companies satisfactory to CBBC. Within ten (10) business days following demand, Team Owner shall reimburse CBBC for all amounts so paid by CBBC, together with all costs and expenses in connection therewith and interest thereon at the Default Rate.

17.3 Joint Insurance Program. To the extent that CBBC and Team Owner shall find it useful, efficient or economical, CBBC and Team Owner may elect from time to time

to obtain liability insurance coverage of the types described in Sections 17.1 and 17.2 under a joint insurance program in which each of CBBC and Team Owner are named insureds and any other Persons required to be named as additional insureds pursuant to Sections 17.1 and 17.2 are so named. In the case of such a joint insurance program, the limits of insurance coverage shall be as specified under Section 17.1 and in Section 17.2, as applicable, or greater, and the Team Owner and CBBC shall bear the premium of such insurance in such proportions as they shall mutually agree in writing at the time such joint coverage is obtained. The provisions of Section 17.2(b) shall apply to such joint insurance program, to the extent relevant.

17.4 Release and Waiver. Each Party hereby waives all rights of recovery and causes of action relating to, and releases the other Party from, any Losses occasioned to the property of such Party, which Losses as to CBBC are of the type covered under the policies of insurance required to be carried by CBBC by clauses (1), (2) or (5) of Section 17.1(a) and as to Team Owner are of the type covered under policies of insurance required to be carried by Team Owner by Section 17.2(a)(1).

ARTICLE 18

HAZARDOUS MATERIALS

18.1 Hazardous Materials Compliance by Team Owner.

(a) Compliance with Hazards Materials Laws. Team Owner covenants and agrees that it will not Handle, nor will it permit the Handling of Hazardous Materials on, under or about the Premises, except in connection with the ordinary course of business of Team Owner and, in any such case, in compliance with all Hazardous Materials Laws. Any other use or Handling of Hazardous Materials by Team Owner on or about the Premises shall require CBBC's approval.

(b) Notice. Except for (x) building materials that do not contain asbestos, asbestos-containing materials, lead or polychlorinated biphenyl (PCBs), (y) Hazardous Materials that do not require a permit or license from, and (z) Hazardous Materials that need not be reported to, a governmental agency, which Hazardous Materials are used in the ordinary course of Team Owner's business or of any Team Owner's permitted subtenants and are used in compliance with all Hazardous Materials Laws, Team Owner shall advise CBBC in writing promptly (but in any event within five (5) business days) after receiving notice of (i) the presence of any Hazardous Materials on,

under or about the Premises, (ii) any action taken by Team Owner in response to any (A) Hazardous Materials on, under or about the Premises or (B) Hazardous Materials Claims, and (iii) Team Owner's discovery of the presence of Hazardous Materials on, under or about any real property adjoining the Premises. Team Owner shall inform CBBC orally as soon as safely possible of any Release or discovery of Hazardous Materials, provided that the obligation to give such notice shall not jeopardize or impede emergency response actions. In addition, Team Owner shall provide CBBC with copies of all communications with federal, state and local governments or agencies relating to Hazardous Materials Laws (other than privileged communications) and all communication with any Person relating to Hazardous Materials Claims (other than privileged communications).

18.2 Hazardous Materials Compliance by CBBC.

(a) Compliance with Hazardous Materials Laws. CBBC covenants and agrees that it will not Handle, nor will it permit the Handling, of Hazardous Materials on, under or about the Ballpark Complex, except in connection with the ordinary course of business of CBBC (including the use of pesticides and fertilizers or other nutrients on the Field as necessary or desirable in order to maintain it in suitable condition for its intended purposes) and, in any such case, in compliance with all Hazardous Materials Laws. Any other use or Handling of Hazardous Materials by CBBC on or about the Ballpark Complex shall require Team Owner's approval.

18.3 Hazardous Materials Indemnity.

(a) Team Owner. Team Owner shall Indemnify CBBC from and against any and all Losses which arise out of or relate in any way to (A) any Handling or Release of any Hazardous Materials in or on the Premises at any time during the Term of this Lease Agreement due to Team Owner's use of or operations within the Premises (other than Hazardous Materials in, on, under or about the Premises as of the date hereof); or (B) any failure by Team Owner to comply with Hazardous Materials Laws in respect of its use of or operations within the Premises. In addition, Team Owner shall require each of its subtenants to similarly indemnify CBBC from Losses arising out of or relating to the Handling or Release of any Hazardous Materials, or the failure to comply with Hazardous Materials Laws, by such subtenant in connection with such subtenant's use of or operations within the Premises.

(b) CBBC. CBBC shall Indemnify Team Owner from and against any and all Losses which arise out of or relate in any way to (A) any Handling or Release of any Hazardous Materials in or on the Ballpark Complex at any time during the term of this Lease Agreement, except any such Handling or Release by Team Owner or its Agents or permitted subtenants; or (B) any failure by CBBC to comply with Hazardous Materials Laws in respect of its use of or operations within the Ballpark Complex. In addition, CBBC shall require each of its Subtenants (as said term is defined in the Ground Lease) other than Team Owner to similarly indemnify Team Owner from Losses arising out of or relating to the Handling or Release of any Hazardous Materials, or the failure to comply with

Hazardous Materials Laws, by such Subtenant in connection with such Subtenant's use of or operations within the Ballpark Complex.

ARTICLE 19

FORCE MAJEURE

19.1 Force Majeure. For all purposes of this Lease Agreement, a Party whose performance of its obligations hereunder is hindered or affected by events of Force Majeure shall not be considered in breach of or in default in its obligations hereunder to the extent such failure of performance results from Force Majeure. A Party seeking an extension of time pursuant to the provisions of this Section 19.1 shall give notice to the other Party describing with reasonable particularity (to the extent known) the facts and circumstances constituting Force Majeure within a reasonable time after knowledge of the beginning of such facts and circumstances, or the other Party's demand for performance. The delay caused by Force Majeure includes not only the period of time during which performance of an act is hindered, but also such additional time thereafter as may reasonably be required to make repairs, to Restore if appropriate, and to complete performance of the hindered act.

ARTICLE 20

DEFAULT

20.1 Team Owner's Events of Default. The occurrence of any one or more of the following events shall constitute an event of default by Team Owner (a "Team Owner Default") under the terms of this Lease Agreement:

(a) Team Owner fails to pay when due any Rent payable by Team Owner under this Lease Agreement, which failure continues for ten (10) days following written notice from CBBC to Team Owner (it being understood that the notice required to be given by CBBC under this section 20.1(a) shall also constitute the notice required under Section 1161 of the California Code of Civil Procedure, and shall satisfy the requirement that notice be given pursuant to such section);

(b) Team Owner files a petition for relief, or an order for relief is entered against Team Owner, in any case under applicable bankruptcy or insolvency Law, or any comparable Law that is now or hereafter may be in effect, whether for liquidation or reorganization, which proceedings if filed against Team Owner are not dismissed or stayed within sixty (60) days;

(c) A writ of execution is levied on this Lease Agreement which is not released within sixty (60) days, or a receiver, trustee or custodian is appointed to take custody of all

or any material part of the property of Team Owner, which appointment is not dismissed within sixty (60) days; provided, however, the appointment of a receiver pursuant to the exercise by a Team Owner Mortgagee of its rights under a Team Owner Mortgage shall not be a default hereunder;

(d) Team Owner makes a general assignment for the benefit of its creditors; or

(e) Team Owner violates any other covenant, or fails to perform any other obligation to be performed by Team Owner under this Lease Agreement at the time such performance is due, and such violation or failure continues without cure for more than thirty (30) days after written notice from CBBC specifying the nature of such violation or failure, or, if such cure cannot reasonably be completed within such thirty (30)-day period, if Team Owner does not within such thirty (30)-day period commence such cure, or having so commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time thereafter (subject to Force Majeure).

20.2 CBBC's Remedies Generally. Upon the occurrence of a Team Owner Default hereunder, CBBC shall have all rights and remedies provided in this Lease Agreement or available at law or in equity. All of CBBC's rights and remedies shall be cumulative, and except as may be otherwise provided by applicable Law the exercise of any one or more rights shall not preclude the exercise of any others.

(a) Continuation of Lease Agreement. Upon the occurrence of a Team Owner Default hereunder, CBBC may continue this Lease Agreement in full force and effect, as permitted by California Civil Code Section 1951.4 (or any successor provisions). Specifically, CBBC has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations).

(b) No Termination. No act by CBBC allowed by this Section 20.2 (b) nor any appointment of a receiver upon CBBC's initiative to protect its interest under this Lease Agreement shall terminate this Lease Agreement, unless and until CBBC notifies Team Owner in writing that CBBC elects to terminate this Lease Agreement.

(c) Termination and Damages. Subject to the cure rights of any Team Owner Mortgagee, CBBC may terminate this Lease Agreement at any time after the occurrence of a Team Owner Default by giving written notice of such termination. Termination of this Lease Agreement shall thereafter occur on the date set forth in such notice. Acts of maintenance or preservation, and any appointment of a receiver upon CBBC's initiative to protect its interest hereunder shall not in any such instance constitute a termination of Team Owner's right to possession. No act by CBBC other than giving notice of termination to Team Owner in writing shall terminate this Lease Agreement. On termination of this Lease Agreement, CBBC shall have the right to recover from Team Owner all sums allowed under California Civil Code Section 1951.2, including, without limitation, the following:

(i) The worth at the time of the award of the unpaid Rent which had been earned at the time of termination of this Lease Agreement;

(ii) The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after the date of termination of this Lease Agreement until the time of the award exceeds the amount of the loss of Rent that Team Owner proves could have been reasonably avoided;

(iii) The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the loss of Rent that Team Owner proves could have been reasonably avoided; and

(iv) Any other amount necessary to compensate CBBC for all detriment proximately caused by the default of Team Owner, or which in the ordinary course of things would be likely to result therefrom.

(v) "The worth at the time of the award", as used in section 20.2(c)(i) and (ii) shall be computed by allowing interest at a rate per annum equal to the Default Rate. "The worth at the time of the award", as used in Section 20.2(c)(iii) shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(d) Interest. Rent not paid when due shall bear interest from the date due until paid at an annual interest rate (the "Default Rate") equal to the greater of (i) ten percent (10%) or (ii) five percent (5%) in excess of the rate the Federal Reserve Bank of San Francisco charges, as of the effective date of this Lease Agreement, on advances to member banks and depository institutions under Sections 13 and 13a of the Federal Reserve Act. However, interest shall not be payable to the extent such payment would violate any applicable usury or similar law. Payment of interest shall not excuse or cure any Team Owner Default.

(e) Continuation of Subleases and Other Agreements. Subject to the provisions of any non-disturbance agreements entered into by CBBC, following a Team Owner Default and termination of Team Owner's interest in this Lease Agreement (subject to rights of Team Owner Mortgagees to cure), CBBC shall have the right, at its sole option, to assume any and all subleases for the Premises. Team Owner hereby further covenants that, upon request of CBBC following a Team Owner Default and termination of Team Owner's interest in this Lease Agreement, Team Owner shall execute, acknowledge and deliver to CBBC such further instruments as may be necessary or desirable to vest or confirm or ratify vesting in CBBC the then existing subleases then in force, as above specified.

20.3 CBBC Events of Default. The occurrence of any one or more of the following events shall constitute an event of default by CBBC (a "CBBC Default") under the terms of this Lease Agreement:

(a) CBBC fails to pay when due any sum payable by CBBC to Team Owner under this Lease Agreement, which failure continues for ten (10) days following written notice from Team Owner to CBBC;

(b) CBBC files a petition for relief, or order for relief is entered against CBBC, in any case under applicable bankruptcy or insolvency Law, or any comparable Law that is now or hereafter may be in effect, whether for liquidation or reorganization, which proceedings if filed against CBBC are not dismissed or stayed within sixty (60) days;

(c) a writ of execution is levied on the Leasehold Estate of CBBC as Tenant under the Ground Lease which is not released within sixty (60) days, or a receiver, trustee or custodian is appointed to take custody of all or any material part of the property of CBBC, which appointment is not dismissed within sixty (60) days; provided, however, the appointment of a receiver pursuant to the exercise by a Mortgagee of its rights under a Mortgage encumbering the Leasehold Estate shall not be a default hereunder;

(d) CBBC makes a general assignment for the benefit of its creditors; or

(e) CBBC violates any other covenant, or fails to perform any other obligation to be performed by CBBC under this Lease Agreement at the

time such performance is due, and such violation or failure continues without cure for more than thirty (30) days after written notice from Team Owner specifying the nature of such violation or failure or, if such cure cannot reasonably be completed within such thirty (30)-day period, if CBBC does not within such thirty (30)-day period commence such cure, or having so commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time thereafter (subject to Force Majeure).

20.4 Team Owner's Remedies Generally. Upon the occurrence of a CBBC Default hereunder, Team Owner shall have all rights and remedies provided in this Lease Agreement or available at law or in equity. All of Team Owner's rights and remedies shall be cumulative, and except as may be otherwise provided by applicable Law, the exercise of any one or more rights shall not preclude the exercise of any others.

(a) Upon the occurrence of a CBBC Default, which CBBC Default materially interferes with the ability of Team Owner to conduct its operations in or use the Premises as provided for in this Lease Agreement, in addition to the remedies set forth in Section 20.4(c), (d) and (e) below, Team Owner shall have the right to offset or deduct from Rent due or becoming due hereunder, the amount of all actual damages incurred by Team Owner as a direct result of the CBBC Default.

(b) Survival of Certain Obligations. No expiration or other termination of this Lease Agreement shall relieve CBBC of its liabilities and obligations arising hereunder

before such expiration or termination of this Lease Agreement. All such liabilities and obligations shall survive such expiration or termination.

(c) Team Owner May Perform Following CBBC's Failure to Perform. If CBBC at any time fails to pay any sum required to be paid by CBBC pursuant to this Lease Agreement to any Person, or if CBBC fails to perform any obligation on CBBC's part to be performed under this Lease Agreement, which failure continues without cure following written notice from Team Owner for a period of ten (10) days (one day or less in the case of any material matter affecting the ability of Team Owner to play Baseball Home Games or conduct other scheduled Baseball Activities at the Ballpark), then, Team Owner may, at its sole option, but shall not be obligated to, pay such sum or perform such obligation for and on behalf of CBBC. Notwithstanding the foregoing, however, if such cure will reasonably require a longer period of time to complete, whether done by CBBC or Team Owner, then Team Owner will not pay such sum or perform such obligation for so long as CBBC continues to diligently prosecute such cure.

(d) Team Owner's Right to Deduct from Rent. If pursuant to the provisions of this Section 20.4, Team Owner pays any sum or performs any obligation required to be paid or performed by CBBC hereunder, Team Owner shall be entitled to deduct from the Rent payable hereunder the sum so paid, or the reasonable expense incurred by Team Owner in performing such obligation, together with interest at the Default Rate from the date such payment is made to the date such deduction occurs. Payment of interest shall not excuse or cure any CBBC Default.

(e) Team Owner's Right to Terminate. Subject to the notice and cure rights of any Mortgagee and of the Landlord under the Ground Lease, Team Owner may terminate this Lease Agreement upon a CBBC Default by giving CBBC written notice of such termination. Termination of this Lease Agreement shall thereafter occur on the date set forth in such notice.

20.5 No Waiver by CBBC or Team Owner. No failure by CBBC or Team Owner to insist upon the strict performance of any term hereof of this Lease Agreement or to exercise any right, power or remedy consequent upon a breach of any such terms shall be deemed to imply any waiver of any such breach or of any such term unless clearly expressed in writing by the Party against which waiver is being asserted. No waiver of any breach shall affect or alter this Lease Agreement, which shall continue in full force and effect, or the respective rights of CBBC or Team Owner with respect to any other then existing or subsequent breach.

20.6 Equitable Relief. In addition to the other remedies provided in this Lease Agreement, CBBC shall be entitled to seek equitable relief, including injunctive relief, where appropriate to the circumstances of any Team Owner Default and Team Owner shall be entitled to seek equitable relief, including injunctive relief, where appropriate to the circumstances of any CBBC Default.

20.7 Special Provisions Concerning Mortgagees and Events of Default. Notwithstanding anything in this Lease Agreement to the contrary, the exercise by a

Mortgagee of CBBC's Leasehold Estate of any of its remedies under its Mortgage shall not, in and of itself, constitute a default by CBBC under this Lease Agreement and the exercise by a Team Owner Mortgagee of any of its remedies under its Team Owner Mortgage shall not, in and of itself, constitute a default by Team Owner under this Lease Agreement.

ARTICLE 21

LIMITATIONS ON LIABILITY

21.1 Limitation on Liability of CBBC.

Liability of CBBC under this Lease Agreement extends only to CBBC and its assets and does not extend to the members of CBBC or CBBC's officers, directors or employees.

21.2 Limitation on Liability of Team Owner.

Liability of Team Owner under this Lease Agreement extends only to Team Owner and its assets and does not extend to the constituent partners of Team Owner nor to the shareholders of any such partner which is a corporation nor to the members of any such partner, which is a limited liability company, nor to the partners of any such partner which is a partnership nor to the officers, directors or employees of any of the foregoing.

ARTICLE 22

MORTGAGES

22.1 CBBC Mortgages.

(a) CBBC has obtained a Development Loan secured by a Mortgage against the Leasehold Estate and, from time to time, will refinance the Development Loan and for borrow other amounts or secure other obligations with one or more Mortgages encumbering the Leasehold Estate. In connection with any such Mortgage, CBBC may also execute a collateral assignment as additional security for the indebtedness secured by such Mortgage of CBBC's interest as the lessor under this Lease Agreement. Team Owner agrees to execute a Subordination, Attornment and Non-Disturbance Agreement in the form attached to this Lease Agreement as Exhibit __, with such additions, revisions or other modifications thereto as any such Mortgagee shall reasonably require, provided that such revisions or other modifications do not materially affect the benefits of Team Owner under this Lease Agreement; in the alternative, at the request of CBBC and any such Mortgagee, Team Owner shall execute an Attornment and Non-Disturbance Agreement confirming the priority of this Lease Agreement over the Mortgage of such Mortgagee containing, as to attornment and non-disturbance, provisions similar to those set forth in Exhibit _ and otherwise with such terms and provisions as such Mortgagee shall reasonably require, providing that such additional provisions, or in any additions, revisions or other modifications to the provisions

concerning attornment and non-disturbance, do not materially affect the benefits of Team Owner under this Lease Agreement.

(b) If CBBC shall grant a Mortgage and provide Team Owner with notice thereof specifying the name and address of the Mortgagee, then Team Owner, upon giving CBBC a notice of (i) default, (ii) termination or proposed termination, (iii) a matter on which Team Owner may claim or base a default, (iv) requests for an assignment or subletting or (v) any other matter which could materially and adversely affect the rights or obligations of Team Owner or CBBC, shall, at the same time also give such notice to the Mortgagee by certified mail or by recognized overnight delivery service. In the case of a default notice, such notice shall set forth with particularity all of the claimed defaults.

(c) Team Owner agrees that any default of CBBC under this Lease Agreement which is capable of being cured may be cured by payment of money or performance of obligations by or arranged by such Mortgagee, provided, however, that the amount to be paid and standard of performance of any obligation of CBBC under this Lease Agreement shall not be modified because payment or performance is provided or arranged by such Mortgagee.

(d) If a Mortgagee acquires the Leasehold Estate from CBBC by foreclosure, deed in lieu of foreclosure, order of bankruptcy court, or otherwise, Team Owner shall be obligated to attorn to the new owner of the Leasehold Estate only to the extent that Team Owner is obligated to so attorn by law or agreement with such Mortgagee.

22.2 Team Owner Mortgages. From time to time Team Owner will borrow money secured by one or more Team Owner Mortgages encumbering the interest of Team Owner under this Lease Agreement. The Parties intend that the provisions of this Section 22.2 shall establish certain rights for the benefit of each Team Owner Mortgagee.

(a) Team Owner may, from time to time, mortgage, grant a security interest in, hypothecate or otherwise encumber its leasehold interest under this Lease Agreement (its "Leasehold Interest") by a Team Owner Mortgage and, in connection therewith assign the rents, issues and profits from the Leasehold Interest. Notwithstanding any other provisions of this Lease Agreement, any transfer of the Leasehold Interest pursuant to or in lieu of foreclosure of a Team Owner Mortgage shall be permitted without CBBC's consent; provided, however, in no event may any person acquire the Leasehold Interest pursuant to or in lieu of foreclosure of a Team Owner Mortgage unless such person qualifies as a Permitted Transferee under clause (ii) of the definition of Permitted Transferee.

(b) Upon acquisition of the Leasehold Interest by a Permitted Transferee pursuant to or in lieu of foreclosure of a Team Owner Mortgage, the Person acquiring the Leasehold Interest shall be obligated to perform from and after the date of its acquisition of the Leasehold Interest all of the covenants and other obligations of Team Owner under this Lease Agreement; provided, however, such Person shall not be required to perform any of the Team Owner's covenants or other obligations under this Lease Agreement which can be performed only by Team Owner ("Team Owner's Personal Covenants"). Any Person who becomes the holder of the Leasehold Interest pursuant to or in lieu of foreclosure of a Team

Owner's Mortgage shall have no liability to CBBC for payment of any rent or other charges (except as provided in Section 22.1(e) below) or for satisfaction of any other claims based on events occurring prior to the date of such Person's accession to ownership of the Leasehold Interest, nor for conditions existing prior to the date of such Person's accession to such ownership, and any such Person may thereafter assign the Leasehold Interest without CBBC's consent and shall be released from any and all obligations under this Lease Agreement which arise after, or relate to any period following, the effective date of such assignment, provided that the assignee is a Permitted Transferee.

(c) If Team Owner shall grant a Team Owner Mortgage and shall provide CBBC with notice thereof specifying the name and address of the Team Owner Mortgagee, then CBBC, upon giving Team Owner a notice of (i) default, (ii) termination or proposed termination, (iii) a matter on which CBBC may claim or base a default, (iv) a consent to or an assignment or subletting or (v) any other matter which would materially and adversely affect the rights or obligations of CBBC or Team Owner, shall at the same time also give such notice to the Team Owner Mortgagee by certified mail or by a recognized overnight delivery service. In the case of a default notice, such notice shall set forth with particularity all of the claimed defaults.

(d) Each Team Owner Mortgagee shall have a right, but not any obligation, to perform any term, covenant, condition or agreement of this Lease Agreement and to remedy any default by Team Owner under this Lease Agreement, within the time limits set forth in this Lease Agreement (and such additional time as is reasonably required to cure Team

Owner's default while proceeding with due diligence), and CBBC will accept such performance.

(e) Notwithstanding anything contained in this Lease Agreement to the contrary, if a default shall occur which would otherwise entitle CBBC to terminate this Lease Agreement, CBBC shall have no right to terminate this Lease Agreement unless, following the expiration of a period of time given Team Owner to cure such default, CBBC shall give each Team Owner Mortgagee written notice of CBBC's intent to terminate this Lease Agreement at least thirty (30) days in advance of the proposed effective date of such termination. Each Team Owner Mortgagee, in addition to its right as described above to cure defaults by Team Owner, shall have a right to postpone the date on which this Lease Agreement would terminate as a result of Team Owner's default(s) in accordance with said notice by (a) giving CBBC written notice within such 30-day period of Team Owner Mortgagee's election to postpone the date on which this Lease Agreement would terminate, and (b) proceeding with due diligence (i) to cure all defaults, if any, then existing which may be cured by the payment of a sum of money (other than obligations of Team Owner to satisfy or otherwise discharge any lien, charge or encumbrance against the Leasehold Interest junior in priority to the lien of Team Owner Mortgage held by such Team Owner Mortgagee), (ii) to initiate and pursue steps to acquire the Leasehold Interest by foreclosure of its Team Owner Mortgage or otherwise, and (iii) after obtaining possession of the Premises, to cure any other then existing default(s) of Team Owner susceptible of being cured by the Team Owner Mortgagee. In the case of any default(s) not reasonably susceptible to cure by the Team Owner Mortgagee, CBBC's right to terminate this Lease

Agreement on account thereof shall be deemed to be waived so long as all other defaults are cured by the Team Owner Mortgagee as provided above.

(f) If within thirty (30) days (as such period may be extended while diligent efforts to cure are proceeding) following Team Owner Mortgagee's receipt of notice pursuant to Section 22.2(e) of CBBC's intention to terminate this Lease Agreement, the Team Owner Mortgagee shall deliver to CBBC a written request for a new Lease Agreement pertaining to the Premises, CBBC shall promptly enter into such new Lease Agreement of the Premises with such Team Owner Mortgagee or its designee as of the date of termination of the old Lease Agreement on the same terms as the old Lease Agreement, provided that (i)CBBC receives, at or prior to the execution of such new Lease Agreement, payment of all rents and other charges due from the date of Team Owner's default to the date of delivery of such new Lease Agreement (to the extent such rentals and charges would be due if the old Lease Agreement were not terminated and after offsetting an amount equal to the net income derived by CBBC from the operation of the Premises during the period prior to the execution of the new Lease Agreement), and (ii) CBBC receives an undertaking in writing that, promptly following the delivery of the new Lease Agreement, such Team Owner Mortgagee or its designee will perform or cause to be performed all of the other covenants and agreements contained in the new Lease Agreement on Team Owner's part to be performed (except to the extent (x) Team Owner shall have performed the same prior to the date of the delivery of such new Lease Agreement, (y) performance is not required pursuant to Section 22.2(e) above or (z) such covenants and agreements cannot reasonably, with the exercise of due diligence, be performed by such Team Owner Mortgagee or designee). The

new Lease Agreement shall (a) be effective as of the date of termination of the old Lease Agreement, (b) have a term equal to the remainder of the Term of the old Lease Agreement as such remainder existed immediately prior to termination and including all options to extend contained in the old Lease Agreement, (c) require the same rental and other charges to be paid as were payable under the old Lease Agreement, (d) include the same terms, covenants, conditions and agreements (other than Team Owner's Personal Covenants) as are contained in the old Lease Agreement, (e) have the same priority as the old Lease Agreement (including priority over any mortgage or other lien, charge or encumbrance on CBBC's Leasehold Estate and/or the Landlord's fee title to the Property) and (f) provide that the tenant under such new Lease Agreement shall be liable to perform the obligations imposed on the tenant by such new Lease Agreement only during the time period that each such tenant is the Owner of the Leasehold Interest.

(g) CBBC will not accept any surrender, agree to the cancellation or enter into any material modification of this Lease Agreement without the prior written consent thereto of each Team Owner Mortgagee of which CBBC has been given notice by Team Owner. Without limiting the generality of the foregoing, no termination under Section 365(h) of the United States Bankruptcy Code, as amended, shall be effective against any Team Owner Mortgagee without the prior written consent of such Team Owner Mortgagee.

(h) If Team Owner does not for any reason exercise within the time permitted in this Lease Agreement any right or option to extend or to renew this Lease Agreement for any extension or renewal term provided in this Lease Agreement, any Team Owner

Mortgagee shall have the right, for a period of thirty (30) days after expiration of the time for exercising such a right or option, to elect, by notice given in the manner specified in this Lease Agreement for the exercise of such right or option, to exercise such right or option upon the same terms and conditions and with the same effect as though such right or option had been validly exercised by Team Owner.

(i) CBBC hereby consents to transfer or encumbrance by any Team Owner Mortgagee, absolutely or as collateral security for performance of obligations, of any Team Owner Mortgage or any interest therein, and in the event of any such transaction the new holder or pledgee of the Team Owner Mortgage shall have all the rights of its predecessor Team Owner Mortgagee hereunder until such time as the Team Owner Mortgage is further transferred or released from the Leasehold Interest.

(j) So long as any recorded Team Owner Mortgage encumbers the Leasehold Interest, this Lease Agreement shall remain in full force and effect and shall not be terminated and the interest of CBBC in the Leasehold Estate created by the Ground Lease shall remain separate and distinct and shall not merge, as a result of the acquisition of said Leasehold Estate and the Leasehold Interest by CBBC, Team Owner or any third party by purchase or otherwise. No amendment or modification to this Lease Agreement shall be effective without the written consent of the holder of each Team Owner Mortgage identified to CBBC by Team Owner by written notice as provided in Section 22.2(c) above.

(k) In the case of any default under any Team Owner Mortgage, the holder of the Team Owner Mortgage shall be entitled to have a receiver appointment, irrespective of whether such Team Owner Mortgagee accelerates the maturity of all indebtedness secured by its Team Owner Mortgage and to enter or have its receiver enter and take possession of the Premises and manage and operate the same in accordance with all the provisions of this Lease Agreement including the requirements of applicable Baseball Rules and Regulations. After any transfer of the Leasehold Interest pursuant to or in lieu of foreclosure of a Team Owner Mortgage, the owner of the Leasehold Interest following such transfer shall be obligated to perform all obligations of Team Owner arising from and after the date of such transfer (other than Team Owner's Personal Covenants) until such time as the Leasehold Interest is further transferred to a Permitted Transferee in accordance with the terms of this Lease Agreement.

(l) CBBC hereby subordinates to the Team Owner Mortgagee any lien which CBBC may have for unpaid Rent under contract or at law or equity covering any portion of the Leasehold Interest or the Team Owner Personal Property.

(m) Without the prior written consent of each Team Owner Mortgagee of which CBBC has been given notice pursuant to Section 22.2(c), CBBC shall not construct or permit the construction of any improvements in any easement area which Team Owner has the right to use under this Lease Agreement which would permanently and materially interfere with the ability of Team Owner, or any subsequent owner of the Leasehold Interest, to use such easement area as permitted under this Lease Agreement.

ARTICLE 23

ESTOPPEL CERTIFICATES

23.1 Estoppel Certificates by CBBC. CBBC shall execute, acknowledge and deliver to Team Owner or any Team Owner Mortgagee within ten (10) business days after a request, a certificate stating to the best of CBBC's knowledge (a) that this Lease Agreement and/or the Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease Agreement and/or the Ground Lease is in full force and effect as modified, and stating the modifications or if this Lease Agreement and/or the Ground Lease is not in full force and effect, so stating), (b) the dates, if any, to which Rent and other sums payable hereunder and/or the Ground Lease have been paid, (c) whether or not, to the knowledge of CBBC, there are then existing any defaults under this Lease Agreement and/or the Ground Lease (and if so, specifying the same) and (d) any other matter actually known to CBBC, directly related to this Lease Agreement and/or the Ground Lease and reasonably requested by the requesting party. Any such certificate may be relied upon by Team Owner, any prospective transferee or Team Owner Mortgagee or a subtenant or prospective subtenant hereunder.

23.2 Estoppel Certificates by Team Owner. Team Owner shall execute, acknowledge and deliver to CBBC, within ten (10) business days after a request, a certificate stating to the best of Team Owner's knowledge (a) that this Lease Agreement is

unmodified and in full force and effect (or, if there have been modifications, that this Lease Agreement is in full force and effect, as modified, and stating the modifications or, if this Lease Agreement is not in full force and effect, so stating), (b) the dates, if any, to which any Rent and other sums payable hereunder have been paid, (c) that no notice has been received by Team Owner of any default hereunder which has not been cured, except as to defaults specified in such certificate and (d) any other matter actually known to Team Owner, directly related to this Lease Agreement and reasonably requested by CBBC. Any such certificate may be relied upon by any landlord and any prospective purchaser or mortgagee of the Ballpark Complex or any part of CBBC's interest therein.

ARTICLE 24

NO MERGER OF TITLE

24.1 No Merger of Title. There shall be no merger of the leasehold estate created by this Lease Agreement with the Leasehold Estate by reason of the fact that the same Person may own or hold (a) the leasehold estate created by this Lease Agreement or any interest in such leasehold estate, and (b) any interest in the Leasehold Estate. No such merger shall occur unless and until all Persons having any interest in the leasehold estate created by this Lease Agreement and the Leasehold Estate shall join in and record a written instrument effecting such merger.

ARTICLE 25

QUIET ENJOYMENT

25.1 Quiet Enjoyment. Subject to the Permitted Title Exceptions, the terms and conditions of this Lease Agreement and applicable Laws, CBBC agrees that Team Owner, upon paying the Rent and observing and keeping all of the covenants under this Lease Agreement on its part to be kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term.

ARTICLE 26

SURRENDER OF THE PREMISES

26.1 End of Term.

(a) Conditions of Premises. Upon the expiration or other termination of the Term, Team Owner shall quit and surrender to CBBC the Premises in good order and condition, reasonable wear and tear excepted. The Premises shall be surrendered with all improvements, repairs, alterations, additions, substitutions and replacements thereto. Team Owner hereby agrees to execute all documents as CBBC may deem necessary to evidence or confirm any such other termination.

(b) Subleases. Upon any termination of this Lease Agreement, CBBC shall have the right to terminate all subleases hereunder except for those subleases with respect to which CBBC has entered into non-disturbance agreements or which CBBC has agreed to assume.

ARTICLE 27

NOTICES

27.1 Notices. All notices, demands, consents, and requests which may or are to be given by any Party to the other shall be in writing, except as otherwise provided herein. All notices, demands, consents and requests to be provided hereunder shall be deemed to have been properly given on the date of receipt if served personally on a day that is a business day (or on the next business day if served personally on a day that is not a business day), or, if mailed, on the date that is three days after the date when deposited with the U.S. Postal Service for delivery by United States registered or certified mail, postage prepaid, in either case, addressed as follows:

To CBBC: China Basin Ballpark Company LLC
[address]
San Francisco, CA 94
Attention: President
Facsimile: (415)

with a copy to: China Basin Ballpark Company LLC
[address]
San Francisco, CA 941_
Attention: General Counsel
Facsimile: (415)

To Team Owner: San Francisco Baseball Associates L.P.
[address]
San Francisco, CA 94
Attention: President
Facsimile: (415)

with a copy to: San Francisco Baseball Associates L.P.
[address]
San Francisco, CA 94
Attention: General Counsel
Facsimile: (415)

or at such other place or places in the United States as each such Party may from time to time designate by written notice to the other in accordance with the provisions hereof. For convenience of the Parties, copies of notices may also be given by telefacsimile to the facsimile number set forth above or such other number as may be provided from time to time by notice given in the manner required hereunder; however, neither Party may give official or binding notice by telefacsimile.

27.2 Form and Effect of Notice. Every notice given to a Party or other Person under this Article 27 must state (or shall be accompanied by a cover letter that states):

(a) the section of this Lease Agreement pursuant to which the notice is given and the action or response required, if any;

(b) if applicable, the period of time within which the recipient of the notice must respond thereto; and

(c) if applicable, that the failure to object to the notice within a stated time period will be deemed to be the equivalent of the recipient's approval of or consent to the subject matter of the notice.

In no event shall a recipient's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) does not comply with the requirements of this Section 27.2.

ARTICLE 28

INSPECTION OF PREMISES BY CBBC

28.1 Entry. Subject to the rights of subtenants, Team Owner shall permit CBBC and its Agents to enter the Exclusive Use Areas at reasonable times and upon reasonable prior notice (and at any time in the event of an emergency) for the purpose of (i) inspecting the same for compliance with any of the provisions of this Lease Agreement, (ii) performing any work therein pursuant to Articles 6 or 7 or other provisions of this Lease Agreement or (iii) inspecting, sampling, testing and monitoring the Exclusive Use Areas or any portion thereof, including buildings, grounds and subsurface areas, as CBBC reasonably deems

necessary or appropriate for evaluation of Hazardous Materials or other environmental conditions. Nothing herein shall imply any duty upon the part of CBBC to perform any work which under any provision of this Lease Team Owner may be required to perform. In connection with CBBC's performance of its obligations under Articles 6 or 7 or other provisions of this Lease Agreement, CBBC shall not be liable for inconvenience, loss of business or other damage to Team Owner by reason of the performance of such work on the Premises, or on account of bringing necessary materials, supplies and equipment into or through the Premises during the course thereof, provided CBBC uses reasonable diligence to minimize the interference any such work may cause with the activities of Team Owner, its subtenants, and their respective Invitees.

28.2 Exhibit for Lease. Subject to the rights of subtenants, Team Owner shall permit CBBC and its Agents to enter the Exclusive Use Areas during regular business hours upon reasonable prior notice (i) to exhibit the same in a reasonable manner in connection with any sale, transfer or other conveyance of CBBC's interest in the Premises, and (ii) during the last twelve (12) months of the Term, for the purpose of leasing the Premises.

28.3 Notice; Right to Accompany. CBBC agrees to give Team Owner reasonable prior notice of CBBC's entering the Exclusive Use Areas except in an emergency. Such notice shall be not less than forty-eight (48) hours oral notice. Team Owner shall have the right to have a representative of Team Owner accompany CBBC or its Agents on any entry into the Exclusive Use Areas.

28.4 Rights of Subtenants. Team Owner shall require each subtenant to permit CBBC to enter the Exclusive Use Areas for the purposes and subject to the conditions specified in this Article 28.

ARTICLE 29

NO JOINT VENTURE

29.1 No Joint Venture. Nothing contained in this Lease Agreement shall be deemed or construed as creating a partnership or joint venture between CBBC and Team Owner, or between CBBC and any other Person or between Team Owner and any other Person, or cause CBBC to be responsible in any way for the debts or obligations of Team Owner or cause Team Owner to be responsible in any way for the debts of CBBC. The subject of this Agreement is a lease with neither Party acting as the agent of the other Party in any respect except as may be provided for in this Lease.

ARTICLE 30

AFFIRMATIVE ACTION

30.1 Affirmative Action. Team Owner is committed to affording opportunities for minority-owned enterprises, women-owned enterprises and local businesses, to participate in Team Owner's operations and business. In furtherance thereof, Team Owner agrees to implement the affirmative action program contained in Exhibit K to the Ground Lease to the extent applicable to its operations at the Ballpark and Related Improvements.

ARTICLE 31

SPECIAL PROVISIONS

31.1 Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this Lease Agreement, Team Owner covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Team Owner, in any of

Team Owner's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Team Owner.

(b) Subleases and Other Subcontracts. Team Owner shall include in all subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Team Owner shall incorporate by reference in all subleases and other subcontracts relating to the Premises the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all of its subtenants and other subcontractors relating to the Premises to comply with such provisions. Team Owner's failure to comply with the obligations in this subsection shall constitute a material breach of this Lease Agreement.

(c) Non-Discrimination in Benefits. Team Owner does not as of the date of this Lease Agreement and will not during the Term, in any of its operations in San Francisco or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or

local law authorizing such registration, subject to the conditions set forth in 12B.2(b) of the San Francisco Administrative Code.

(d) Incorporation of Administrative Code Provisions by Reference. The provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section 31.1(d) by reference and made a part of this Lease Agreement as though fully set forth herein. Team Owner shall comply fully with and be bound by all of the provisions that apply to this Lease Agreement under such Sections of the San Francisco Administrative Code including the remedies provided in such Sections of the San Francisco Administrative Code. Without limiting the foregoing, Team Owner understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease Agreement may be assessed against Team Owner and/or deducted from any payments due Team Owner.

31.2 MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Team Owner acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

31.3 Tropical Hardwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product. Except as permitted by the application of Sections 12I.3.b and 12I.4.b of the San Francisco Administrative Code, Team Owner shall not use any tropical hardwoods or tropical hardwood products in the construction of the Initial Improvements or any other Improvements on the Premises.

31.4 Tobacco Product Advertising Prohibition. Team Owner acknowledges and agrees that no advertising of cigarettes or tobacco products shall be allowed on the Premises. The foregoing prohibition shall include the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product or on any sign. The foregoing prohibition shall not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31.5 Burma (Myanmar) Business Prohibition. Team Owner is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(g) of the San Francisco Administrative Code. CBBC reserves the right to terminate this Lease Agreement for default if Team Owner violates the terms of this clause. Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein, and the failure of Team Owner to comply with any applicable requirements thereof

shall be deemed a material breach of this Lease Agreement. In the event Team Owner fails to comply in good faith with any of the applicable provisions of Chapter 12J of the San Francisco Administrative Code, Team Owner shall be liable for liquidated damages for each violation in an amount equal to Team Owner's net profit under this Lease, or 10% of the total amount of the Lease Agreement, or $1,000, whichever is greatest. Team Owner acknowledges and agrees the liquidated damages assessed shall be payable to CBBC upon demand and may be set off against any moneys due to Team Owner from CBBC under this Lease.

31.6 Proximity of Waterfront Transportation Project. Team Owner acknowledges that during the Term, the Waterfront Transportation Project involving (by way of example only and not of limitation) the realignment of the Embarcadero Roadway, Mid-Embarcadero freeway replacement, construction of a MUNI-metro turnaround project, MUNI-metro extension, F-line historic streetcar line, and a waterfront promenade, is scheduled to be constructed on property in the immediate vicinity of the Premises. Team Owner is aware that the construction of such project and the activities associated with such construction will generate certain adverse impacts which may result in some inconvenience to or disturbance of Team Owner. Such impacts may include, but are not limited to, increased vehicle and truck traffic, traffic delays and re-routing, loss of street and public parking, dust, dirt, construction noise and visual obstructions. Team Owner hereby waives any and all claims against CBBC arising out of such inconvenience or disturbance, including without limitation any abatement or reduction of Rent.

ARTICLE 32

GENERAL

32.1 Time of Performance.

(a) Expiration. All performance dates (including cure dates) expire at 5:00 p.m., San Francisco, California time, on the performance or cure date.

(b) Weekend or Holiday. A performance date which falls on a Saturday, Sunday or City holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance or notices specified herein in terms of days shall be calendar days, and not business days, unless otherwise provided herein.

(d) Time of the Essence. Time is of the essence with respect to each provision of this Lease Agreement, including, but not limited, the provisions for the exercise of any option on the part of Team Owner hereunder and the provisions for the payment of Rent and any other sums due hereunder, subject to the provisions of Article 19 relating to Force Majeure.

32.2 Interpretation of Agreement.

(a) Schedules and Exhibits. Whenever a "Schedule" or an "Exhibit" is referenced, it means an attachment to this Lease Agreement unless otherwise specifically identified. All such Schedules and Exhibits are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Lease Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Lease Agreement and in the table of contents have been inserted for convenience of reference only. Such captions shall define or limit the scope or intent of any provision of this Lease Agreement.

(c) Words of Inclusion. As used in this Lease Agreement, the terms "including," "included" and "includes" shall be deemed to be followed by the words "without limitation."

(d) No Presumption Against Drafter. This Lease Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Lease Agreement shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Lease Agreement (including, but not limited to, California Civil Code Section 1654).

(e) Fees and Costs. The Party on which any obligation is imposed in this Lease shall be solely responsible for paying all costs and expenses incurred in the performance thereof, unless the provision imposing such obligation specifically provides to the contrary.

(f) Lease References. Wherever reference is made to any specific provision, term or matter, the reference shall be deemed to refer to the specific numbered or lettered section or paragraph of this Lease Agreement or any specific subdivision thereof identified in such reference even if the words "in this Lease Agreement," "herein" or "hereof" or words of similar import are not used in such reference.

32.3 Successors and Assigns. This Lease Agreement is binding upon and will inure to the benefit of the successors and assigns of CBBC, Team Owner and any Mortgagee. Where the term "Team Owner," "CBBC" or "Mortgagee" is used in this Lease, it means and includes their respective successors and assigns, including, as to any Mortgagee, any transferee and any successor or assign of such transferee.

32.4 No Third Party Beneficiaries. This Lease Agreement is for the exclusive benefit of the Parties hereto and not for the benefit of any other Person and shall not be deemed to have conferred any rights, express or implied, upon any other Person, except as provided in Section __ with regard to Mortgagees.

32.5 Approval or Consent. Whenever under this Lease Agreement the approval or consent of a party is required, unless otherwise expressly provided, such approval or consent shall not be unreasonably withheld, conditioned or delayed.

32.6 Responsible Party for Expenses. Whenever the term "at the expense of" is used in respect of a Party, such term shall mean that the Party so identified shall either pay the cost or expense in question or shall be responsible for causing the cost or expense in question to be paid by another Person other than the Party that was not so identified.

32.7 Counterparts. This Lease Agreement may be executed in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

32.8 Entire Agreement. This Lease Agreement (including the Schedules) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the terms and conditions mentioned herein or incidental hereto. No parol evidence of any prior of other agreement shall be permitted to contradict or vary the terms of this Lease Agreement.

32.9 Amendment. Neither this Lease Agreement nor any of the terms hereof may be terminated, amended or modified except by a written instrument executed by the Parties.

No termination, amendment or modification which requires the prior approval of a Mortgagee shall become effective without the prior approval of such Mortgagee.

32.10 Governing Law; Selection of Forum. This Lease shall be governed by, and interpreted in accordance with, the laws of the State of California. As part of the consideration for CBBC's entering into this Lease Agreement, Team Owner agrees that all actions or proceedings arising directly or indirectly under this Lease may, at the sole option of CBBC, be litigated in courts having situs within the State of California, and Team Owner consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Team Owner wherever Team Owner may then be located, or by certified or registered mail directed to Team Owner at the address set forth herein for the delivery of notices.

32.11 Recordation. This Lease Agreement will not be recorded by either Party. The Parties agree to execute and record in the Official Records a Memorandum of Lease in the form attached hereto as Schedule 32.11. Promptly upon CBBC's request following the expiration of the Term or any other termination of this Lease Agreement, Team Owner shall deliver to CBBC a duly executed and acknowledged quitclaim deed suitable for recordation in the Official Records and in form and content satisfactory to CBBC for the purpose of evidencing in the public records the termination of Team Owner's interest under this Lease Agreement. CBBC may record such quitclaim deed at any time on or after the termination of this Lease Agreement, without the need for any approval or further act of Team Owner.

32.12 Extensions. Upon the request of a Party, the other Party may, by written instrument, extend the time for the first Party's performance of any term, covenant or condition of this Lease Agreement or permit the curing of any default upon such terms and conditions as such other Party determines appropriate, including the time within which the first Party must agree to such terms and/or conditions, provided, however, that any such extension or permissive curing of any particular default will not operate to release any of such first Party's obligations nor constitute a waiver of such other Party's rights with respect to any other term, covenant or condition of this Lease or any other default in, or breach of, this Lease Agreement or otherwise affect the time of the essence provisions with respect to the extended date or other dates for performance hereunder.

32.13 Further Assurances. The Parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the Parties or otherwise effectuate the terms of this Lease Agreement.

32.14 Attorneys' Fees. If either Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Lease Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, reasonable attorneys' fees and costs. Any such attorneys' fees and costs incurred by either Party in enforcing a judgment in its favor under this Lease Agreement shall be recoverable separately

from and in addition to any other amount included in such judgment, and such attorneys' fees and costs obligation is intended to be severable from the other provisions of this Lease Agreement and to survive and not be merged into any such judgment.

32.15 Effective Date. This Lease shall become effective on the date (the "Effective Date") CBBC and Landlord duly execute and deliver the Ground Lease. The Effective Date will be inserted by CBBC on the cover page and on page 1 hereof, provided, however, that CBBC's failure to insert the Effective Date shall not invalidate this Lease Agreement. Where used in this Lease or in any of its exhibits, references to "the date of this Lease," the "reference date of this Lease," "Lease Date" or "Effective Date" will mean the Effective Date determined as set forth above and shown on the first page hereof.

ARTICLE 33

DEFINITIONS

Words or phrases which are used in this Lease Agreement which are initially capitalized shall have the meanings given in this Article, except as the context shall otherwise require or as otherwise expressly provided:

Access Parcel means the portion of South Beach Park over which CBBC, as Tenant under the Ground Lease, shall have the Access Rights as provided in the Ground Lease.

Admissions Tax as defined in Section 3.4.

Access Rights as defined in the Ground Lease.

Affiliate means any Person directly or indirectly Controlling, Controlled by or under Common Control with the other Person in question.

Agency means the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, established pursuant to the Community Redevelopment Law of the State of California.

Agents means, when used with reference to either CBBC or Team Owner, the officers, directors, employees, agents and contractors of such party, and their respective heirs, legal representatives, successors and assigns.

All Star Game means any professional baseball game that is scheduled to be played between teams comprised of players selected from Major League Baseball teams and which is scheduled, authorized, required or permitted to be played by the National League or by the Office of the Commissioner of Baseball, or any additional game of such kind or successor game sanctioned by the National League or Major League Baseball.

Annual Capital Repairs Fund Deposit is the sum of five hundred thousand dollars ($500,000) increased annually at the rate of four percent (4%) per annum, compounded

annually, commencing with the first Lease Year, subject to adjustment as provided in Section 7.6. For example, the Annual Capital Repairs Fund Deposit for the first Lease Year is five hundred twenty thousand dollars ($520,000); for the second Lease Year is five hundred forty thousand eight hundred dollars ($540,800); and so on throughout the Term, subject to adjustment as provided in Section 7.6.

Attorneys' Fees and Costs means reasonable attorneys' fees and costs, expenses and disbursements, including but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and other reasonable costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, including such fees and costs associated with execution upon any judgment or order, and costs on appeal.

Award means all compensation, sums or value paid, awarded or received for a Condemnation, whether pursuant to judgment, agreement, settlement or otherwise.

Ballpark means the open-air baseball park to be constructed on the Property pursuant to the DDA and in accordance with the plans and specifications for the playing and public exhibition and enjoyment of Major League Baseball, excluding the Related Improvements.

Ballpark Complex means the Property, the Ballpark, the Related Improvements and the Personal Property.

Ballpark Restoration Deadline means the beginning of the third full regular Season after the event causing damage or destruction, or Material Condemnation, as the case may be; provided, however, if the work of Restoration has commenced within one (1) year of such event or Material Condemnation, and is thereafter diligently prosecuted to completion except for delays on account of Force Majeure, the Ballpark Restoration Deadline shall be extended for one (1) full year (i.e., to the beginning of the fourth full regular Season after such event or Material Condemnation).

Baseball Activities means the All-Star Game, any other exhibition of professional baseball authorized or required under Baseball Rules and Regulations, practice by the Team or a visiting team in advance of a game to be played at the Ballpark by the Team and such visiting team, other practice by the Team, exhibition of collegiate, high school, little league or the like baseball games, exhibition of games between the Team and any professional baseball team from a foreign country not participating in Major League Baseball but allowed under Baseball Rules and Regulations, and any fantasy camp or similar activity where members of the public may participate in baseball practices and games with professional baseball athletes and coaches.

Baseball Home Games means (a) each of the Team's scheduled or rescheduled home playing dates during a Season; (b) each Post Season Game scheduled or rescheduled to be played by the Team at home; and (c) any exhibition game scheduled or rescheduled to be played by the Team at the Ballpark. The term "Baseball Home Games" shall not include any regular Season, Post Season or exhibition game of the Team which under Baseball

Rules and Regulations is scheduled or rescheduled to be played at any site other than the home baseball park of the Team.

Baseball Memberships as defined in Section 5.4.

Baseball Occupancy Period shall mean the period from the first day of February to the date of the last Baseball Home Game played at the Ballpark in the year in question, both dates included. Until the date of such last game played at the Ballpark by the Team has been finally determined, the end of the Baseball Occupancy Period for the year in question shall be deemed to be the date thirty (30) days after the end of the regular Season.

Baseball Rules and Regulations means the following governing documents and agreements related to Major League Baseball: (i) the requirements of the Major League Agreement and the Major League Rules; (ii) the Professional Baseball Agreement; (iii) the National League and the American League Constitutions; (iv) the Basic Agreement among the American League Professional Baseball Clubs, the National League of Professional Baseball Clubs and the Major League Players Association (1996-2000); (v) the Major League Agreement in re: Major League Central Fund; (vi) any present or future agreements, rules, regulations, policies or directives of Major League Baseball or the Office of the Commissioner of Baseball which are generally applicable to all member clubs of Major League Baseball; and (vii) any amendments to or modifications, replacements, extensions, or renewals of any of the foregoing.

Baseball Schedule as defined in Section 2.6.

BCDC means the Bay Conservation and Development Commission, a State agency established pursuant to the McAteer Petris Act.

Capital Repairs shall mean any work that is reasonably required to be performed in and about the Ballpark Complex to repair, restore or replace Components necessitated by any damage, destruction, ordinary wear and tear, defects in construction or design, or any other cause; provided, however, that the Capital Repairs shall not include (i) any work necessitated by the intentional misconduct of Team Owner and (ii) Routine Maintenance. Capital Repairs shall include:

(1) Repair or replacement of an HVAC compressor;

(2) Replacement of carpeting that wears out as a result of ordinary wear and tear with carpeting of similar quality; provided such replacements shall not be required more frequently than once every four (4) years, other than for defective workmanship or product;

(3) Repair or replacement of cracked or disintegrated concrete, broken pipes or leaking roof or sections thereof;

(4) Manufacturer recommended replacement of scoreboard, exterior message board and field lighting bulbs, fuses and circuit breakers;

(5) Replacement of all windows and other glass broken due to settling;

(6) Replacement of a seat that wears out or replacement of a seat standard or the concrete into which the seat is affixed; or

(7) General reapplication of protective materials, such as paint or waterproofing.

In addition to the foregoing, Capital Repairs shall also include the following:

(a) Replacing any obsolete Component with more modern replacements that will most likely be used in at least seventy-five percent (75%) of Major League Baseball parks within five (5) years of such obsolescence; provided, however, that the parties agree that the provisions of this subsection (a) shall not apply to the Main Scoreboard until after the end of the tenth (10th) season following Team Owner's first Baseball Home Game at the ballpark;

(b) Changes or improvements required by television networks or stations having contracts with Team Owner or Major League Baseball;

(c) Changes or improvements required of a majority of National League open-air baseball parks by the National League, the Commissioner of Baseball or Baseball Rules and Regulations;

(d) Changes or improvements required or recommended by any insurance carrier to enable Team Owner to obtain insurance coverage at commercially reasonable rates, provided that in lieu of effectuating such change or improvement CBBC may agree, in its discretion, to pay the increased insurance premiums; or

(e) Changes or improvements required by Laws or any Regulatory Approval.

Capital Repairs Fund as defined in Section 7.6.

CBBC means China Basin Ballpark Company LLC, a Delaware limited liability company, and its successors and assigns as Tenant under the Ground Lease.

CBBC Default as defined in Section 20.3.

CBBC Indemnified Parties means CBBC as Tenant under the Ground Lease and its Agents and its constituent members; the City, including all of its boards, commissions, departments, agencies and other subdivisions, including the Port; the Agency; all of the Agents of the City, Port and Agency; and all of their respective heirs, legal representatives, successors and assigns, and each of them.

Charter Seat License Agreement means a license agreement between CBBC and a Charter Seat Licensee regarding the Charter Seat Rights.

Charter Seat Licensees as defined in Section 4.7.

Charter Seat Rights means seat licenses to the Charter Seats that are sold by CBBC.

Charter Seats means those lower box seats and upper box seats colored in purple and blue, respectively, in Schedule 4.1.

City means the City and County of San Francisco, a municipal corporation. City shall refer to the City operating by and through its Port Commission where appropriate.

Club Seat License Agreements means the license agreements between CBBC and Club Seat Licensees regarding the Club Seat Licenses.

Club Seat Licensees as defined in Section 4.2.

Club Seat Licenses means seat licenses to the Club Seats that are sold by CBBC.

Club Seats as defined in Section 4.1.

Common Areas means all of those areas of the Property, Ballpark, Related Improvements and Access Parcel, including entrances, lobbies, plazas, restrooms, stairways, elevators, escalators, concourses and the Waterfront Promenade, used in common by Team Owner, its Agents and Invitees and CBBC and its Agents and Invitees.

Completion means completion of construction of all or any applicable portion of the Improvements in accordance with the terms of the DDA. The fact of Completion shall be conclusively evidenced by the issuance of a Certificate of Completion pursuant to the DDA. Complete and Completed shall have correlative meanings.

Component means any item that is incorporated into the Ballpark Complex, or any portion thereof, including all structural members, seats, electronic parts, scoreboards, and Ballpark equipment.

Concessions Revenue means all gross receipts received each year by CBBC from a Concessionaire in connection with Baseball Home Games or Baseball Activities, excluding, however, any revenue received by CBBC in connection with food, beverage and novelty sales made in the Stadium Club.

Concessionaire(s) as defined in Section 5.1.

Concessions Agreement as defined in Section 5.1.

Concessions Facilities means the concession, catering, merchandise sales and restaurant facilities located in the Ballpark Complex and the furniture, fixtures and equipment to be installed therein or otherwise provided by a Concessionaire for use by such Concessionaire(s) in the performance of its services under Concessions(s) Agreement, excluding, however, any restaurant facilities and retail merchandise sales facilities that operate on a year-round basis and excluding the Stadium Club.

Concessions Revenue means all gross receipts received each year by CBBC from a Concessionaire in connection with Baseball Home Games or Baseball Activities, excluding, however, any revenue received by CBBC in connection with food, beverage and novelty sales made in the Stadium Club.

Condemnation means the taking or damaging, including severance damage, of all or any part of any property, or the right of possession thereof, by eminent domain, inverse condemnation, or for any public or quasi-public use under the Law. Condemnation may occur pursuant to the recording of a final order of condemnation, or a voluntary sale of all or any part of any property to any Person having the power of eminent domain (or to a designee of any such Person), provided that the property or such part thereof is then under

the threat of condemnation or such sale occurs by way of settlement of a condemnation action.

Condemnation Date means the earlier of: (a) the date when the right of possession of the condemned property is taken by the condemning authority; or (b) the date when title to the condemned property (or any part thereof) vests in the condemning authority.

Control means the ownership (direct or indirect) by one Person of fifty percent (50%) or more of the profits or capital of another Person, and Controlled and Controlling have correlative meanings. Common Control means that two Persons are both Controlled by the same other Person.

Covenants, Conditions and Restrictions means any documents or instruments recorded in the Official Records in respect of the Leasehold Estate or the use and operation of the Ballpark Complex which have been approved by Team Owner.

Default Rate as defined in Section 20.2(d).

Development Loan means the financing obtained by CBBC, as Tenant under the Ground Lease, to finance the development of the Ballpark Complex secured by a Mortgage against the Leasehold Estate and any refinancing thereof.

Excess Admissions Tax as defined in Section 3.4.

Exclusive Use Areas as defined in Section 2.1.

Existing Concessions Agreement as defined in Section 5.1.

Extended Term(s) as defined in Section 1.4.

Field means the playing field at the Ballpark on which the Team shall conduct its Baseball Home Games and other Baseball Activities, which shall be a grass playing field at all times.

Field Club Seats means those seats colored in green in Schedule 4.1.

Field Improvements shall mean all of the improvements to be constructed on the Field and all permanent improvements, additions, alterations, fixtures, equipment and installations constructed, provided or added thereto by CBBC at any time, all subject to and in accordance with Baseball Rules and Regulations.

Force Majeure means an event beyond a Party's reasonable control, including, but not restricted to, acts of God or of the public enemy, acts of the government, acts of the other Party, fires, floods, tidal waves, earthquakes or earth movement, strikes, freight embargoes, delays of subcontractors and unusually severe weather and any delay resulting from a defect in title to the Property of Landlord.

GAAP means generally accepted accounting principles, consistently applied.

Ground Lease means that certain Ground Lease between the City, as landlord, and CBBC, as tenant, executed and delivered by the parties pursuant to the DDA, as it may be amended from time to time with the consent of Team Owner.

Guaranty means the Guaranty Agreement by Team Owner for the benefit of Landlord and Agency, dated as of the date hereof.

Handle when used with reference to Hazardous Materials means to use, generate, manufacture, process, produce, package, treat, transport, store, emit, discharge or dispose of any Hazardous Material ("Handling" will have a correlative meaning).

Hazardous Material means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. §§ 9601, et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or

not such materials are part of the structure of any existing Improvements on the Premises, any Improvements to be constructed on the Premises by or on behalf of Tenant, or are naturally occurring substances on, in or about the Premises and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

Hazardous Material Claims means any and all enforcement, Investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, together with any and all Losses made or threatened by any third party against City, the Port or the Agency, their Agents, or the Premises or any Improvements, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Material Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises or any Improvements, the loss or restriction of the use or any amenity of the Premises or any Improvements, and attorneys' fees and consultants' fees and experts' fees and costs.

Hazardous Material Laws means any present or future federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its Handling, transportation or Release) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises (including the Improvements) and any other property, including, without limitation, soil, air, air quality, water, water quality and groundwater conditions.

Improvements means all buildings, structures, fixtures and other improvements erected, built, placed, installed or constructed upon or within the Property on or after the commencement date of the Ground Lease (and specifically excluding any improvements existing at the Effective Date of the Ground Lease) including, but not limited to, the Initial Improvements as defined in the Ground Lease.

Indemnify means indemnify, protect and hold harmless.

Infield Club Level Seats means those seats colored in orange in Schedule 4.1 hereto.

Initial Capital Repairs Fund Deposit means the sum of five hundred thousand dollars ($500,000).

Initial Improvements means all Improvements to be built on the Property or portion(s) thereof under the DDA, including, but not limited to, the Ballpark.

Initial Term as defined in Section 1.2.

Investigate or Investigation when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises, any Improvements or any portion thereof or which have been, are being, or threaten to be Released into the environment. Investigation shall include, without limitation, preparation of site history reports and sampling and

analysis of environmental conditions in, on, under or about the Premises or any Improvements.

Invitees when used with respect to Team Owner means the customers, patrons, invitees, guests, members, licensees, assignees and subtenants of Team Owner and the customers, patrons, invitees, guests, members, licensees, assignees and subtenants of any licensee, assignee or subtenant of Team Owner; and when used with respect to CBBC means the customers, patrons, invitees, guests, members, licensees, assignees and subtenants of CBBC (other than Team Owner) and the customers, patrons, invitees, guests, members, licensees, assignees and subtenants of any licensee, assignee or subtenant of CBBC (other than Team Owner).

Landlord means the City and County of San Francisco acting through the San Francisco Port Commission and its successors and assigns as landlord under the Ground Lease.

Law or Laws shall mean any one or more present and future applicable laws, ordinances, rules, regulations, permits, authorizations, orders and requirements, whether or not in the present contemplation of the Parties, including, without limitation, all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, boards of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions,

having or acquiring jurisdiction of, or which may affect or be applicable to, the Ballpark Complex or any part thereof, including, without limitation, any subsurface area, the use thereof and of the buildings and improvements thereon.

Lease Agreement means this Baseball Lease and Use Agreement by and between CBBC, as landlord, and Team Owner, as tenant, as it may be amended from time to time.

Lease Year means the calendar year commencing January 1 following the year in which Opening Day occurs, and each full calendar year thereafter during the Term of this Lease Agreement.

Leasehold Estate means CBBC's leasehold estate created by the Ground Lease.

Leasehold Interest as defined in Section 22.2(a).

Loss or Losses means any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, (including, without limitation, reasonable Attorneys' Fees and Costs and consultants' fees and costs).

Lower Box Seats means those seats colored in purple in Schedule 4.1.

Luxury Suite License Agreements means the license agreements between CBBC and Luxury Suite Patrons for the license of a Luxury Suite.

Luxury Suite Patrons as defined in Section 4.2.

Luxury Suite Tickets as defined in Section 4.6.

Luxury Suites means the 62 luxury box suites to be built into the Ballpark.

Major League Baseball means, collectively, the American League and the National League of Professional Baseball Clubs as now or hereafter constituted or organized and any other league of professional baseball clubs which may be constituted from time to time and recognized as a major league authorized to play professional baseball games under Baseball Rules and Regulations.

Material Condemnation as defined in the Ground Lease.

Media Parties as defined in Section 11.1.

Mortgage means a mortgage, deed of trust, assignment of rents, fixture filing, security agreement or similar security instrument or assignment of the Leasehold Estate of Tenant or of Team Owner's leasehold interest under this Lease Agreement that is recorded in the Official Records.

Mortgagee means the holder or holders of a Mortgage. Multiple lenders participating in a single loan secured by a single Mortgage shall be deemed a single Mortgagee.

National League means the National League of Professional Baseball Clubs, as now constituted under its existing Constitution or as it may hereafter be constituted or organized.

Net Operating Cash Flow means all revenues received by CBBC in connection with the Ballpark Complex, including all Rent, the Concession Revenue, the Premium Seating Revenue, any and all naming rights or other Ballpark sponsorship revenue and advertising revenue less all expenses incurred by CBBC in connection with the operations of the Ballpark Complex, including all real property taxes, all rent and other payments due under the Ground Lease, expenses incurred by CBBC under this Lease Agreement and expenses incurred by CBBC in respect of parking that serves the Ballpark Complex.

Net Ticket Sales Revenue as defined in Section 3.4.

Non-Material Condemnation as defined in Section 14.3.

Non-Relocation Agreement means the agreement by Team Owner in favor of the City dated as of the date hereof.

Office of the Commissioner of Baseball means the individual selected by the owners of Major League Baseball franchises to serve as the Commissioner of Baseball, and the

staff, duly authorized representatives, and employees of the Commissioner of Baseball, or any successor thereto.

Official Records means the official real property records of the City and County of San Francisco, California.

OPA means the Owner Participation Agreement among the Agency and Tenant recorded on _____, 199_, as Document No. _____, in Book ___, at Page __, in the Official Records of the City.

Opening Day means the date of the first Baseball Home Game played at the Ballpark during the first season that the Team plays games at the Ballpark.

Other Events as defined in the Ground Lease.

Outfield Club Level Seats means those seats colored in brown in Schedule 4.1.

Partial Condemnation as defined in Section 14.3.

Party means CBBC or Team Owner, as a party to this Lease Agreement; Parties means both CBBC and Team Owner, as Parties to this Lease Agreement.

Pavilion Building means that certain building located on Third Street along the western boundary of the Property and forming part of the Initial Improvements.

Permitted Escrow Agent means the escrow agent for the Capital Repairs Fund approved by the Mortgagee under the Mortgage securing the Development Loan or, if there is no such Mortgagee, approved by Team Owner.

Permitted Investments means investments of the funds on deposit in the Capital Repairs Fund from time to time as may be approved by CBBC and the Mortgagee of the Mortgage securing the Development Loan or, if there is no such Mortgagee, as approved by CBBC and Team Owner.

Permitted Title Exceptions as defined in the Ground Lease.

Permitted Transferee means (i) an Affiliate of Tenant; or (ii) any other Person who has received the approval (to the extent such approval is required) of the Office of the Commissioner of Baseball and/or other Major League Baseball authorities whose approval is required under the Baseball Rules and Regulations to become the owner of the National League franchise for the Team.

Permitted Uses as defined in the Ground Lease.

Person means any individual, partnership, corporation (including, but not limited to, any business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or any other entity or association, the United States, or a federal, state or political subdivision thereof or any agency of state or subdivision.

Personal Property means all fixtures, furniture, furnishings, equipment, machinery, supplies, software and other tangible personal property that is incident to the ownership, development or operation of the Ballpark Complex, whether now or hereafter located in, upon or about the Ballpark Complex, belonging to CBBC and/or in which CBBC has or may hereafter acquire an ownership interest, together with all present and future attachments, accessions, replacements, substitutions and additions thereto or therefor.

Plans and Specifications means the plans and specifications for the Ballpark approved by the City and CBBC pursuant to the provisions of the DDA on the date this Lease Agreement is executed and delivered, subject to such further development and/or amendment or modification as the CBBC and City shall mutually agree hereafter; provided, however, if CBBC is no longer an Affiliate of Team Owner at the time of any such further development or amendment or modification of the plans and specifications for the Ballpark and Related Improvements such further development, modification or amendment requires also the approval of Team Owner.

Post Season Game means any Major League Baseball game played after the last regularly scheduled Baseball Home Game in a Season in order to determine which teams

will play in the World Series, and specifically including any playoff games, National League championship series games and all World Series games.

Premises as defined in Section 2.1 of this Lease Agreement.

Premium Field Club Seats means those seats colored in black in Schedule 4.1 hereto.

Premium Seating Revenue means the amounts retained by CBBC under Sections 4.5 and 4.6 after payment to Team Owner of the amounts to be remitted or paid to Team Owner as described therein.

Premium Seating Rights as defined in Section 4.1.

Property as defined in Section 1.1 of the Ground Lease.

Redevelopment Plan means the Rincon Point/South Beach Redevelopment Plan as amended, which has been recorded as Document No. _____ on _____, 19__ in the Official Records.

Redevelopment Project Area means the Rincon Point/South Beach Redevelopment Project Area as described in the Redevelopment Plan, as amended.

Regulatory Approval means any authorization, approval or permit required by any governmental agency having jurisdiction over the Property, including BCDC.

Related Improvements means the Pavilion and all Improvements constructed on the Property which are outside the perimeter walls of the Ballpark (including, for example, the Waterfront Promenade).

Release when used with respect to Hazardous Material means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any existing improvements or any Improvements constructed hereunder by or on behalf of Tenant, or in, on, under or about the Premises or any portion thereof.

Remediate or Remediation when used with reference to Hazardous Materials means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about the Premises or which have been, are being, or threaten to be Released into the environment. Remediation includes, without limitation, those actions included within the definition of "remedy" or "remedial action" in California Health and Safety Code Section 25322 and "remove" or "removal" in California Health and Safety Code Section 25323.

Rent means Minimum Rent, Percentage Rent and the Ticket Surcharge.

Restoration as defined in the Ground Lease. "Restore" and "Restored" have correlative meanings.

Revenue Per Seat as defined in Section 4.5.

Routine Maintenance shall mean the provision of all labor and materials which are required to (a) keep the Ballpark Complex and the Components in good order and repair which is of a routine, regular and predictable nature and (b) keep the Ballpark Complex clean and free of debris. Routine Maintenance shall not include Capital Repairs. Routine Maintenance shall include the following:

(a) Performing all preventive or routine maintenance that is stipulated in the operating manuals for the Components as regular, periodic maintenance procedures;

(b) Regular maintenance procedures for the HVAC system, including periodic cleaning, lubricating and changing of air filters;

(c) Groundskeeping and maintenance of the surface of the Field, including mowing, seeding, fertilizing, marking lines, installing and removing bases and pitchers' mound and resodding;

(d) Changing of standard, isolated light bulbs, fuses and circuit breakers, as they burn out;

(e) Cleaning all portions of the Ballpark immediately after each event held at the Ballpark;

(f) Touch-up painting;

(g) Readying the Field each year for the upcoming Season; and

(h) The labor required to perform a Capital Repair to the extent that such labor is performed by regular, on-site personnel acting in accordance with the standard duties for which such on-site personnel are regularly employed.

Season means the annual period commencing with the first regularly scheduled Baseball Home Game (other than exhibition games) played by the Team in accordance with the schedule established under Baseball Rules and Regulations each year as part of the competition to determine the National League champion, and ending with the last Baseball Home Game played by the Team during such year, including any other Major League Baseball game scheduled, required or authorized by the rules of the National League as part of the regular season of Major League Baseball (including the All-Star Game, charity or

exhibition games but exclusive of Post Season Games). A Season shall include any partial Season if not all Baseball Home Games are played at the Ballpark due to Force Majeure.

Season Tickets means full season admission tickets to Baseball Home Games but not including admission tickets to any Post Season Game.

Specially Controlled as defined in the Ground Lease.

Stadium Club means a restaurant or club facility in which food, beverages and novelties shall be sold to patrons of the Ballpark and the Related Improvements and for which membership dues or admission charges will be required.

Team means the San Francisco Giants professional baseball club.

Team Owner means San Francisco Baseball Associates L.P., a California limited partnership, which holds a franchise issued by the National League and owns the Team, and its successors and assigns.

Team Owner Default as defined in Section 20.1.

Team Owner Indemnified Parties means Team Owner as lessee under this Lease Agreement and its Agents and its constituent partners; and all of their respective heirs, legal representatives, successors and assigns, and each of them.

Team Owner Mortgage means a Mortgage of Team Owner's leasehold interest under this Lease Agreement.

Team Owner Mortgagee means the holder or holders of a Team Owner Mortgage. Multiple lenders participating in a single loan secured by a single Team Owner Mortgage shall be deemed a single Team Owner Mortgagee.

Team Owner Personal Property means all fixtures, furnishings, equipment, machinery, supplies, software and other tangible personal property used by Team Owner in connection with its use and operation of the Premises for exhibiting Baseball Home Games and conducting other Baseball Activities or in connection with its other use of the Premises, including the exercise of rights provided under this Lease Agreement, in which Team Owner has or may hereafter acquire an ownership interest, together with all future attachments, accessions, replacements, substitutions, and additions thereto or therefor.

Team Owner's Personal Covenants as defined in Section 22(b).

Tenant means China Basin Ballpark Company LLC, a Delaware limited liability company, as Tenant under the Ground Lease, and its successors and assigns.

Term means the Initial Term, as extended by each Extended Term as to which Team Owner has exercised its Option and which has become effective in accordance with the provisions of Section 1.4 of this Lease Agreement. Notwithstanding any other provision of

this Lease Agreement, the Term shall not extend beyond sixty-six (66) years from the commencement of the term of CBBC as tenant under the Ground Lease.

Ticket Surcharge as defined in Section 3.4.

Total Condemnation as defined in Section 14.2.

Waterfront Promenade as defined in the Ground Lease.

IN WITNESS WHEREOF, CBBC and Team Owner have executed this Lease Agreement as of the day and year first above written.

CHINA BASIN BALLPARK COMPANY, LLC, a Delaware limited liability company

By _____
Peter A. Magowan
Chairman

SAN FRANCISCO BASEBALL ASSOCIATES L.P., a California limited partnership

By MAGOWAN BASEBALL, INC., a California corporation, Managing General Partner

By _____
Peter A. Magowan
President

ATTACHMENT 8

FORM OF NON-DISTURBANCE AGREEMENT FOR BASEBALL SUBLEASE

RECORDING REQUESTED
AND WHEN RECORDED RETURN TO:

_____
_____
_____
Attn:_____

Draft 7/9/97

(Space above this line reserved for Recorder's use)

CITY AND COUNTY OF SAN FRANCISCO
WILLIE LEWIS BROWN, JR., MAYOR

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

between

SAN FRANCISCO BASEBALL ASSOCIATES L.P.,
a California limited partnership,

and the

CITY AND COUNTY OF SAN FRANCISCO

Pacific Bell Park,
San Francisco, California

Dated as of _____, 1997

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") dated for reference purposes as of _____, 1997 is made by SAN FRANCISCO BASEBALL ASSOCIATES L.P., a California limited partnership (the "Team Owner"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City").

THIS AGREEMENT is made with reference to the following facts and circumstances:

A. The Team Owner holds the professional baseball franchise for the City issued by the National League (the "Franchise") and is the owner of the San Francisco Giants professional baseball team.

B. The Team Owner has organized China Basin Ballpark Company LLC, a Delaware limited liability company ("CBBC"), for the purpose of developing and operating an open air waterfront ballpark and complementary improvements, known as "Pacific Bell Park" (the "Ballpark") on real property bounded generally by the easterly line of Third Street, the southerly line of King Street, the easterly line of Second Street and China Basin Channel in San Francisco, California, as more particularly described in Exhibit A attached hereto (the "Site").

C. In order to effectuate the policies and purposes of Proposition B, approved by the voters of the City on March 26, 1996, the City, through the San Francisco Port Commission (the "Port"), is entering into a Lease Disposition and Development Agreement ("DDA") with CBBC. Under the terms and conditions of the DDA, the City, through its Port, will enter into a Lease in the form attached to the DDA (the "Lease") with CBBC, pursuant to which CBBC will develop and operate the Ballpark.

D. In accordance with the Lease, CBBC will enter into a sublease (the "Baseball Sublease") with the Team Owner for the exhibition of Major League Baseball games at the Ballpark.

E. The City and the Team Owner are entering into a Non-Relocation Agreement (the "Non-Relocation Agreement") pursuant to which the Team Owner will assure the City that, subject to the terms and provisions of the Baseball Sublease, substantially all of the Baseball Home Games of the Giants will be played at the Ballpark during the Non-Relocation Term.

F. In accordance with Section 6.2 of the Non-Relocation Agreement, the City and the Team Owner desire to set forth their understanding regarding the preservation of the Baseball Sublease in the event the Lease is terminated, all as set forth herein.

G. Except as otherwise defined herein, capitalized terms used in this Agreement shall have the respective meanings given them in the Lease and the Non-Relocation Agreement.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Team Owner and the City hereby agree as follows:

1. Attornment. In the event the City succeeds to the interest of landlord under the Baseball Sublease by reason of any termination of the Lease by the City due to CBBC's default thereunder (following any notice and cure provisions provided therein, including mortgagee protection provisions), or by any other manner or for any other reason, it is agreed that the Team Owner shall be bound to the City, and the City shall be bound to the Team Owner, under all of the terms, covenants, and conditions of the Baseball Sublease for the remaining balance of the term thereof, with the same force and effect as if the City were the original landlord under the Baseball Sublease, and the Team Owner shall attorn to the City, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement, immediately upon the City succeeding to the interest of landlord under the Baseball Sublease.

2. Non-Disturbance. So long as the Team Owner is not in default under the Baseball Sublease, which default shall not have been cured or is not in the process of being cured within the applicable grace period provided for in the Baseball Sublease, the City shall: (i) recognize the Baseball Sublease to be in full force and effect; (ii) not disturb or terminate the Team Owner's subleasehold estate under the Baseball Sublease by reason of any default by CBBC under the Lease; and (iii) permit the Team Owner to remain in quiet and peaceable possession of the leased premises throughout the balance of the term of the Baseball Sublease (including, without limitation, any renewal terms thereunder) in accordance with the provisions of the Baseball Sublease; provided, however:

(i) the City shall not be liable for or obligated to cure any monetary default under the Baseball Sublease occurring prior to the time that the City succeeds to CBBC's interest under the Baseball Sublease, nor be subject to any offsets, defenses or claims that the Team Owner may be able to assert against CBBC;

(ii) subject to Section 3 below, the City shall not be liable for or obligated to cure any non-monetary default under the Baseball Sublease occurring prior to the time the City succeeds to CBBC's interest under the Baseball Sublease; and

(iii) the City shall not be bound by any modification or amendment of the Baseball Sublease made without the City's written consent, except as otherwise permitted in the Lease.

3. Cure of Certain Defaults. The Team Owner's attornment obligation set forth herein shall be subject to the City's cure of any material non-monetary default under the Baseball Sublease (if CBBC's permitted mortgagees have failed to cure such default) to the extent such material non-monetary default must be cured in order to provide a facility that complies with the standards, provisions and requirements of the Baseball Sublease and meets the minimum requirements for the exhibition of Major League Baseball games in accordance with applicable laws and Baseball Rules and Regulations, consistently applied to all facilities.

4. Notice and Opportunity to Cure Under Baseball Sublease. The City shall be entitled to notice and an opportunity to cure any default by CBBC as landlord under the Baseball Sublease in accordance with the terms, conditions and provisions of Section 6.3 of the Non-Relocation Agreement.

5. General.

5.1 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

5.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

5.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

5.4 Special Provisions. From and after the attornment of Team Owner to City pursuant to Section 1 above, the provisions of Sections 45.1, 45.3, 45.4 and 45.6 of the Ground Lease shall be deemed incorporated by reference and made a part hereof as if set forth in full in this Agreement, except that "Team Owner" shall be substituted for "Tenant" as set forth in said Sections of the Ground Lease.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

TEAM OWNER:

SAN FRANCISCO BASEBALL ASSOCIATES L.P.,
a California limited partnership
By: Magowan Baseball, Inc.,
a California corporation,
its Managing General Partner

By _____
Peter A. Magowan, President

[signatures continue]

ACCEPTED AND AGREED:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By_____
Willie Lewis Brown, Jr., Mayor

By_____
Douglas F. Wong
Port Executive Director

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By_____
Deputy City Attorney

ATTACHMENT 9

FORM OF GUARANTY FROM TEAM OWNER

DRAFT OF JULY 10, 1997

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") dated as of _____, 1997, is made by SAN FRANCISCO BASEBALL ASSOCIATES L.P., a California limited partnership ("Guarantor"), to and for the benefit of the CITY AND COUNTY OF SAN FRANCISCO ("City") and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO (the "Agency").

THIS GUARANTY is made with reference to the following facts and circumstances:

A. Guarantor holds the professional baseball franchise for the City issued by the National League (the "Franchise") and is the owner of the San Francisco Giants professional baseball team.

B. Guarantor has organized China Basin Ballpark Company LLC, a Delaware limited liability company ("CBBC"), for the purpose of developing and operating an open air waterfront ballpark and complementary improvements, known as "Pacific Bell Park" (the "Ballpark") on real property bounded generally by the easterly line of Third Street, the southerly line of King Street, the easterly line of Second Street and China Basin Channel in San Francisco, California, as more particularly described in Exhibit A attached hereto (the "Site").

C. In order to effectuate the policies and purposes of Proposition B, approved by the voters of the City on March 26, 1996, the City, through the San Francisco Port Commission (the "Port"), is entering into a Lease Disposition and Development Agreement ("DDA") with CBBC. Under the DDA, the City, through its Port, will enter into a Lease in the form attached to the DDA (the "Lease") with CBBC, pursuant to which CBBC will develop and operate the Ballpark. The complete execution and delivery of this Guaranty is a condition precedent to the Port's obligation under the DDA to deliver the Site to CBBC and undertake certain actions to deliver the Site to CBBC under the Lease free of occupancies and to the Agency's willingness to enter into the OPA and issue the tax allocation bonds referred to in Recital E below.

D. In accordance with the Lease, CBBC will enter into a sublease (the "Baseball Sublease") with the Guarantor for the exhibition of Major League Baseball games at the Ballpark. The minimum term of the Baseball Sublease shall begin on the date the First Baseball Home Game is played at the new Ballpark and shall end on December 31, 2022. The minimum term of the Baseball Sublease shall be coextensive with the term of the Non-Relocation Agreement (as described below).

E. CBBC desires that the Agency issue tax allocation bonds to fund certain infrastructure improvements that will support the Ballpark (the "Tax Allocation Bonds") and enter into an Owner Participation Agreement (the "OPA") to that effect. The Tax Allocation Bonds are to be repaid from property tax increment generated from the Ballpark project at the Site. The Agency is intended to be a beneficiary of this Guaranty only to the extent of the outstanding principal and interest of the Tax Allocation Bonds.

F. Guarantor will derive material financial benefit from the development of the new Ballpark pursuant to the DDA, the Lease and the OPA, and Guarantor desires to enter into this Guaranty to induce City and Agency to consummate the transactions contemplated thereby.

G. As an essential inducement for the City, through its Port, to enter into the DDA and the Lease and to deliver possession of the Site to CBBC thereunder and to approve the transactions contemplated by the DDA and the Lease, and for the City to approve an allocation of tax increment needed for the Agency to issue the Tax Allocation Bonds for the project under the OPA, the Guarantor is entering into (1) a Non-Relocation Agreement with the City (the "Non-Relocation Agreement") to assure the City that substantially all of the Baseball Home Games of the Giants will be played at the Ballpark following the first such Baseball Home Game during the Non-Relocation Term (as therein defined), on the terms and conditions more particularly set forth therein and (2) this Guaranty.

H. Except as otherwise defined herein, initial capitalized terms used in this Guaranty shall have the meaning given them in the Non-Relocation Agreement.

ACCORDINGLY, in consideration of the matters described in the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Guarantor agrees as follows:

1. Guaranty

1.1 Guaranty of Obligations. Subject to the condition that an Enforcement Event as defined in Section 1.2 below has occurred, Guarantor unconditionally and irrevocably guarantees to City the due and punctual payment (and not merely the collectibility) of the Guaranteed Obligations (as defined in Section 1.2 below) and all portions of the Guaranteed Obligations, as and when the same shall become due and payable under the Lease, whether at maturity (by acceleration or otherwise) or at any other time, on the terms provided herein. Upon the occurrence of an Enforcement Event, the Guarantor's liability under this Guaranty for the due and punctual payment of the Guaranteed Obligations shall arise immediately and automatically without notice, demand, or any other action by City. Notwithstanding anything to the contrary set forth in this Guaranty, such liability shall extend to any and all portions of the Guaranteed Obligations that shall have become due and payable. Upon the occurrence of any Enforcement Event, Guarantor shall have full liability for the Guaranteed Obligations. In addition, Guarantor shall pay, and upon request of City shall promptly reimburse City for, all costs and expenses (including, without limitation, collection charges and Attorneys' Fees and Costs, as defined in Section 9.8 below) incurred by City in connection with the enforcement of City's rights, powers, or remedies under this Guaranty. In the case of such reimbursement to City, the reimbursement shall be accompanied by interest on that amount at the Default Rate (as defined in the Lease) from the date due until the date of that reimbursement. Guarantor's guaranty of payment of the Guaranteed Obligations is not limited to any particular portion of the Guaranteed Obligations, but, instead extends to all portions of the Guaranteed Obligations , whether direct or contingent, due or to become due, now existing or hereafter arising, and whether created directly or acquired by assignment or otherwise by City. Guarantor's guaranty of payment of the Guaranteed

Obligations shall be discharged and satisfied only as provided in Section 7 relating to termination of this Guaranty.

1.2 Definitions. For purposes of this Guaranty, the following terms shall have the meanings given below:

"Enforcement Event" shall mean that each of the following events shall have occurred and be continuing:

(a) Any one of the following occurs: (i) Guarantor materially breaches its obligations under Section 1.1 of the Non-Relocation Agreement (the "Non-Relocation Covenant") or (ii) in the event of a Work-out Sale or foreclosure, the franchise is sold to an Outside Buyer, subject to the principles of the Intercreditor Agreement, or (iii) the Non-Relocation Agreement is rejected under any Insolvency Law due to the bankruptcy or insolvency of Guarantor; and

(b) The City is prevented from or determines not to seek specific performance under the Non-Relocation Agreement; and

(c) Either (i) CBBC is in material breach of the Lease or (ii) any one of the following of occurs: (A) CBBC shall file any petition, or commence any case or proceeding seeking relief, under any present or future law relating to bankruptcy, reorganization, composition, readjustment, liquidation, dissolution, conservatorship, receivership, insolvency, or relief for debtors (any such present or future law being sometimes referred to in this Guaranty as an "Insolvency Law"); (B) CBBC shall consent to or acquiesce in the filing of any petition, or the commencement of any case or proceeding, against CBBC under any Insolvency Law; (C) CBBC or any of CBBC's members shall file or participate in the filing of any petition against CBBC under any Insolvency Law, or any of CBBC's members shall commence or participate in the commencement of any case or proceeding against CBBC under any Insolvency Law; or (D) any order for relief is entered against CBBC in any proceeding under Title 11 of the United States Code.

"Guaranteed Obligations" shall mean the obligation to pay all of the following: (a) unpaid Rent (as defined in the Lease) at the time the Lease is terminated (including prospective Rent over the balance of the Initial Term (as defined in the Lease) less rental loss that could be reasonably avoided), all calculated as provided in California Civil Code § 1951.2; (b) the then outstanding principal and accrued interest on the Tax Allocation Bonds; and (c) the costs of Demolishing all or any part of the ballpark improvements if the City elects to require Demolition under the Lease and to place the site in the condition provided for under Section 34.2 of the Lease in the event of termination.

"Lease Documents" shall mean the Lease, DDA and other documents or agreements contemplated thereby.

"Outside Buyer" shall have the meaning given in the Intercreditor Agreement.

"Work-Out Sale" shall have the meaning given in the Intercreditor Agreement.

1.3 Acknowledgments by Guarantor. Guarantor acknowledges, confirms, and agrees that: (a) it has received fair and adequate consideration for its execution of this Guaranty; (b) it will derive material financial benefit from City's execution of the Lease Documents and the Agency's execution of the OPA; (c) it desires to enter into this Guaranty to induce City to enter into the Lease Documents; (d) City's agreement to enter into the Lease Documents and take the actions required in connection therewith is in consideration of, and in reliance upon, the Guarantor's execution and delivery of this Guaranty; and (e) there are no conditions to the full effectiveness of this Guaranty other than those expressly set forth in this Guaranty.

1.4 Independent Obligations; Continuing Guaranty. Subject to the limitations specifically set forth in Section 1.1 and Section 1.2 of this Guaranty, this Guaranty is a primary and original obligation of Guarantor and is an absolute, unconditional, continuing and irrevocable guaranty of payment.

2. Indemnity

2.1 Indemnity. In addition to the payment of expenses pursuant to Section 9.8, Guarantor agrees to indemnify, defend and hold City, Agency and their respective officers, directors, commissioners, employees and agents (collectively, the "Indemnitees") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, causes of action, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, Attorneys' Fees and Costs as hereinafter defined) arising in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitee shall be designated a party thereto, that may be imposed on, incurred by or asserted against such Indemnitee, in any manner relating to or arising out of or in connection with this Guaranty (collectively, the "Indemnified Liabilities"), including, without limitation, any enforcement or attempted enforcement by City or Agency of this Agreement or the Non-Relocation Agreement. Notwithstanding the foregoing, Indemnified Liabilities shall not include liabilities, obligations, losses, damages, penalties, actions, causes of action, judgments, suits, claims, costs, expenses and disbursements to the extent caused by or resulting from the willful misconduct or negligence of such Indemnitee. Guarantor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the indemnified parties from any claim which actually or potentially falls within any of these indemnity provisions even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Guarantor by any Indemnitee and continues at all times thereafter.

2.2 Notice. Each Indemnitee will promptly notify Guarantor of each event of which it has knowledge that may give rise to a claim under this Section 2.

2.3 Defense of Actions. If any investigative, judicial or administrative proceeding arising in connection with any of the Indemnified Liabilities is brought against any Indemnitee indemnified or intended to be indemnified pursuant to this Section 2, Guarantor, to the extent and in the manner directed by the Indemnitee or intended Indemnitee, will resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by

Guarantor (which counsel shall be subject to the approval of the Indemnitee or intended Indemnitee, which approval shall not be unreasonably withheld). Each Indemnitee will use its best efforts to cooperate in the defense of any such action, suit or proceeding. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Guarantor shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.

3. Waivers by Guarantor

3.1 Waivers. Guarantor waives: notice of acceptance of this Guaranty; notice of the extension of credit from time to time by City or Agency to CBBC; notice of the creation, existence or acquisition of all or any part of the Guaranteed Obligations or any such other obligations; notice of the amount of the Guaranteed Obligations (subject, however, to Guarantor's right to make inquiry of City or Agency to ascertain the then outstanding amount of the Guaranteed Obligations at any reasonable time); notice of adverse change in the financial condition of CBBC; notice of any other fact that might increase the Guarantor's risk; notice of presentment for payment, demand, protest and notice of protest, notice of dishonor, diligence in collection and notice of nonpayment as to any instrument; notice of default or event of default under the Lease Documents, the OPA or the Non-Relocation Agreement; and all other notices and demands to which Guarantor might otherwise be entitled. Guarantor also waives any and all rights, by statute or otherwise, to require City or Agency to institute suit against CBBC or to exhaust any of City's or Agency's rights, powers or remedies against CBBC. Guarantor further waives any defense arising by reason of any disability or other defense of CBBC or by reason of the cessation from any cause whatsoever of the liability of CBBC.

3.2 Waiver of Subrogation. Notwithstanding any payment or payments that may be made by Guarantor, Guarantor waives and releases any and all claims, rights or remedies which Guarantor may now have or hereafter acquire against CBBC, the Property, or any other security for the Guaranteed Obligations, that arises under this Guaranty, including, without limitation, from payment or performance by Guarantor under this Guaranty, including, without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, contribution, indemnification, or participation in any claim, right, or remedy of City or Agency against CBBC, or any security that City or Agency now has or hereafter acquires, whether or not that claim, right, or remedy arises in equity, under contract, by statute, under the common law, or otherwise, until the Guaranteed Obligations are satisfied in full.

4. Consents by Guarantor

4.1 Consents; No Discharge of Obligations. Without releasing, discharging, impairing, or otherwise affecting any obligations of Guarantor under this Guaranty or the validity or enforceability of this Guaranty, City or Agency may, by action or inaction, in its sole, absolute and unlimited discretion and without notice to Guarantor: compromise, settle, extend the time for payment or performance of all or any part of the Guaranteed Obligations for benefit of CBBC; extend the time for making any deposit or for granting a security interest in property securing or intended to secure all or any part of the Guaranteed Obligations or waive any

requirement for any such deposit or security interest; make advances for the purposes of performing any obligation of CBBC under or relating to any of the Lease Documents, the OPA or any other document contemplated thereby that may be in default at any time; refuse or fail to enforce any or all of the City's rights, powers or remedies under any of the documents; and deal in all respects with CBBC as if this Guaranty were not in effect; provided, however, the City shall not have the right by agreement with CBBC or otherwise to materially increase the Guaranteed Obligations without the Guarantor's prior written consent. It is the intent of the parties that Guarantor shall remain liable for the payment and performance of the Guaranteed Obligations and all other obligations guarantied hereby, notwithstanding any act or thing that might otherwise operate as a legal or equitable discharge of a surety, except as specified in the proviso at the end of the preceding sentence.

4.2 Payments to Other Persons. City and Agency shall be under no obligation to marshal any assets in favor of Guarantor or against, or in payment or performance of, any or all of the Guaranteed Obligations. If all or any part of any payment to or for the benefit of City or Agency in respect of the Guaranteed Obligations shall be invalidated, declared to be fraudulent or preferential, set aside, or required for any reason to be repaid or paid over to a trustee, receiver or other person under any Insolvency Law or any other law or rule of equity, to the extent of that payment or repayment, the Guaranteed Obligations (or the part thereof) intended to have been satisfied shall be revived and continued in full force and effect as if that payment had not been made, and Guarantor shall be primarily and jointly and severally liable for that obligation.

4.3 Additional Rights. This Guaranty is in addition to, and not in substitution for or in reduction of, any other guaranty by Guarantor or any obligation of Guarantor to City under the Non-Relocation Agreement that may now or hereafter exist in favor of City or Agency. The liability of Guarantor under this Guaranty shall not be contingent upon the enforcement of any lien or realization upon any security City or Agency may at any time possess.

4.4 Recourse. City and Agency shall have the right to seek recourse against Guarantor to the full extent provided for in this Guaranty and in any other document or instrument evidencing obligations of the Guarantor to City and Agency, and against CBBC to the full extent provided for in the Lease Documents contemplated thereby, which right shall be absolute and shall not in any way be impaired, deferred, or otherwise diminished by reason of any inability of City to claim any amount of such Guaranteed Obligation from CBBC as a result of bankruptcy or otherwise, including, but not limited to, any limitation on City's claim from CBBC under section 502(b)(6) of the United States Bankruptcy Code, as amended (11 U.S.C. §502(b)(6)). No election to proceed in one form of action or proceeding, or against any person, or on any obligation, shall constitute a waiver of City's or Agency's right to proceed in any form of action or proceeding or against other persons unless City and Agency has expressly waived that right in writing. Without limiting the generality of the foregoing, no action or proceeding under or relating to any of the Guaranteed Obligations shall serve to diminish the liability of Guarantor except to the extent City or Agency (as to the Tax Allocation Bonds only) fully and unconditionally realizes payment of the Guaranteed Obligations or any portion of the Guaranteed Obligations by such action or proceeding, notwithstanding the effect of any such action or proceeding upon any rights of subrogation or contribution that Guarantor at any time may have, or might have had, against CBBC or any other person.

4.5 City Consent for Agency Exercise of Rights. Notwithstanding anything to the contrary herein, Agency shall not exercise any of its rights hereunder without the prior written approval of City. No attempted exercise by the Agency of any such rights shall affect in any way Guarantor's obligations to City hereunder.

5. Representations and Warranties of Guarantor

5.1 Representations and Warranties. Guarantor represents, warrants and covenants as follows:

(a) Guarantor has full power and authority to execute, deliver and perform its obligations under this Guaranty, and that execution, delivery, and performance has been duly authorized by all requisite action on its part

(b) As of the date of execution and delivery of this Guaranty: the fair salable value of Guarantor's assets exceeds the amount of its liabilities; it is meeting its current liabilities as they mature; no court or administrative proceedings or undischarged judgments are pending against it; no federal or state tax liens have been filed or threatened against it: and it is not in default or claimed default under any agreement for borrowed money.

5.2 Independent Investigation. Guarantor is fully aware of the financial condition of CBBC.

(a) Guarantor delivers this Guaranty based solely on the Guarantor's own independent investigation and in no part upon any representation or statement of City with respect to the financial condition of CBBC. Guarantor is in a position to, and assumes full responsibility for, obtaining any additional information concerning CBBC's financial condition as Guarantor may deem material to their obligations under this Guaranty, and Guarantor is not relying upon, nor expecting City to furnish them with, any information in City's possession concerning CBBC's financial condition.

(b) Guarantor knowingly accepts the full range of risk encompassed within a contract of "continuing guaranty," including, without limitation, the possibility that CBBC will incur obligations for which Guarantor will be liable under this Guaranty after CBBC's financial condition or ability to pay its lawful debts when they fall due has deteriorated.

(c) Guarantor has received a copy of the Lease Documents and the OPA, as executed or in the form to be executed, and is satisfied with all of the terms and conditions of the Lease Documents including, without limitation, the terms of payment and the conditions under which the maturity of the Guaranteed Obligations may be accelerated. In executing and delivering this Guaranty, Guarantor has relied on its own review of the Lease Documents and the OPA and not on any representation or statement of City, Agency or any other person.

5.3 Adequate Consideration. Guarantor represents and warrants that it has received adequate and sufficient consideration for the obligations incurred under this Guaranty.

6. Termination of Guaranty.

Guarantor's liability under this Guaranty shall be discharged and satisfied, and Guarantor shall be relieved of any and all further obligations under this Guaranty, upon the earlier of: (1) indefeasible payment in full of the Guaranteed Obligations together with any and all other amounts payable to City by Guarantor under this Guaranty; or (2) expiration or other termination of the Non-Relocation Agreement without there having occurred any Enforcement Event; provided, however, no such event shall result in termination of this Guaranty unless and until the expiration of any further period within which a trustee or other similar official in an action under any Insolvency Law may avoid, rescind, or set aside any payment of any of the Guaranteed Obligations. Upon Guarantor's request City will confirm in writing the fact of termination of this Guaranty if this Guaranty has terminated.

7. Notices

Any notice, consent or approval required or permitted to be given under this Guaranty shall be in writing and shall be deemed to have been given upon (i) hand delivery, against receipt, (ii) one day after being deposited with a reliable overnight courier service, or (iii) three (3) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

CITY: Mayor
(Reference: China Basin Ballpark)
City and County of San Francisco
City Hall
San Francisco, CA 94102
Facsimile: (415) 554-6160

with a copy to: Port Director
(China Basin Ballpark)
Port of San Francisco
3100 Ferry Building
San Francisco, CA 94111
Facsimile: (415) 274-0412

and to: City Attorney
(Reference: China Basin Ballpark)
Fox Plaza
1390 Market Street, 5th Floor
San Francisco, CA 94102-5408
Facsimile: (415) 554-4248

Port General Counsel
(Reference: China Basin Ballpark)
Port of San Francisco
3100 Ferry Building
San Francisco, CA 94111
Facsimile: (415) 274-0494

AGENCY: Executive Director
(Reference: China Basin Ballpark)
San Francisco Redevelopment Agency
770 Golden Gate Avenue, Third Floor
San Francisco, CA 94102
Facsimile: (415) 749-2525

with a copy to: General Counsel
(Reference: China Basin Ballpark
San Francisco Redevelopment Agency
770 Golden Gate Avenue, Third Floor
San Francisco, CA 94102
Facsimile: (415) 749-2575

GUARANTOR: San Francisco Baseball Associates L.P.
Attention: Managing General Partner
San Francisco Giants Executive Offices
3Com Park at Candlestick Point
San Francisco, CA 94124
Facsimile: (415) 467-2143

with a copy to: General Counsel
San Francisco Giants Executive Offices
3Com Park at Candlestick Point
San Francisco, CA 94124
Facsimile: (415) 467-3264

and with a copy to: Pillsbury Madison & Sutro LLP
Attention: Robert C. Herr, Esq.
14th Floor
235 Montgomery Street
San Francisco, CA 94104
Facsimile: (415) 983-1200

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

8. General Provisions

8.1 Successors and Assigns. This Guaranty shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns. Except solely in case of a foreclosure or a Work-Out Sale under the Term Loan (as defined in the Intercreditor Agreement) in accordance with the Intercreditor Agreement, Guarantor covenants that it shall not assign or transfer the Franchise at any time prior to the expiration of the Non-Relocation Term unless and until the transferee expressly agrees to be bound by the terms of this Guaranty pursuant to a written agreement delivered to the City and the Agency.

8.2 Amendments. Except as otherwise provided herein, this Guaranty may be amended or modified only by a written instrument executed by City, Agency and Guarantor, subject to the approval of Major League Baseball authorities whose approval is required for such amendment or modification.

8.3 Waivers. No action taken pursuant to this Guaranty by City or Agency shall be deemed to be a waiver by that party of the Guarantor's compliance with any of the provisions hereof. No waiver by the City or Agency of any breach of any provision of this Guaranty shall be construed as a waiver of any subsequent or different breach. No forbearance by City or Agency to seek a remedy for noncompliance hereunder or breach by the Guarantor shall be construed as a waiver of any right or remedy with respect to such noncompliance or breach.

8.4 Continuation and Survival of Covenants, Representations and Warranties. All representations, warranties and covenants by Guarantor contained herein shall be deemed to be material and shall survive any termination of the Lease Documents.

8.5 Governing Law; Selection of Forum. This Guaranty shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for City's and Agency's entering into the transaction contemplated by the Lease Documents and the OPA, the Guarantor agrees that all actions or proceedings arising directly or indirectly under this Guaranty may, at the sole option of City or Agency, be litigated in courts having situs within the State of California, and the Guarantor expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon the Guarantor wherever the Guarantor may then be located, or by certified or registered mail directed to the Guarantor at the address set forth in this Guaranty for the delivery of notices.

8.6 Merger of Prior Agreements. The parties intend that this Guaranty (including all of the attached exhibits and schedules, which are incorporated into this Guaranty by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Guaranty shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Guaranty.

8.7 Interpretation of Guaranty. The section and other headings of this Guaranty and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Guaranty has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Guaranty against the party that has drafted it is not applicable and is waived. The provisions of this Guaranty shall be interpreted in a reasonable manner to effect the purposes of the parties and this Guaranty.

8.8 Attorneys' Fees. If any party hereto fails to perform any of its respective obligations under this Guaranty or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Guaranty, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, reasonable Attorneys' Fees and Costs (as defined below). Any such Attorneys' Fees and Costs incurred by either party in enforcing a judgment in its favor under this Guaranty shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be severable from the other provisions of this Guaranty and to survive and not be merged into any such judgment. For purposes of this Guaranty, the reasonable fees of attorneys of City's Office of City Attorney and Agency's General Counsel shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's or Agency's General Counsel's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office or Agency General Counsel's Office. "Attorney's Fees and Costs" means any all attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

8.9 Severability. All rights, powers, and remedies provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary to avoid rendering this Guaranty invalid, illegal or unenforceable. If any provision of this Guaranty, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Guaranty and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

8.10 Counterparts. This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

8.11 MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. The Guarantor acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

IN WITNESS WHEREOF, Guarantor, being duly authorized, has executed and delivered this Guaranty as of the date first written above.

GUARANTOR

SAN FRANCISCO BASEBALL ASSOCIATES L.P.
a California limited partnership
By: Magowan Baseball, Inc.,
a California corporation
its Managing General Partner

By _____
Peter A. Magowan, President

AGREED AND CONSENTED TO:

CHINA BASIN BALLPARK COMPANY LLC,
a Delaware limited liability company

By_____
Peter A. Magowan
Chairman and Chief Executive Officer

[Signatures continue]

ACCEPTED AND AGREED:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By_____
Willie Lewis Brown, Jr., Mayor

By_____
Douglas F. Wong
Port Executive Director

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By_____
Julie Van Nostern
Port General Counsel

By_____
Jesse Capin Smith
Deputy City Attorney

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO

By_____
James B. Morales
Executive Director

APPROVED AS TO FORM:

_____
David M. Madway
General Counsel

ATTACHMENT 10

PERMITTED TITLE EXCEPTIONS

PERMITTED TITLE EXCEPTIONS

1. GENERAL AND SPECIAL COUNTY AND CITY TAXES FOR THE FISCAL YEAR 1997-98, A LIEN NOT YET DUE OR PAYABLE: NOT CURRENTLY ASSESSED.

2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, REVENUE AND TAXATION CODE, SECTIONS 75 ET SEQ.WHICH TAXES MAY ARISE ON TRANSFER OF TITLE FROM AN EXEMPT PARTY TO A NON-EXEMPT PARTY.

3. THE HEREIN DESCRIBED PROPERTY LIES WITHIN THE BOUNDARIES OF A MELLO-ROOS COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

CFD NO.	:	90-1
FOR	:	SCHOOL FACILITY REPAIR AND MAINTENANCE
DISCLOSED BY	:	NOTICE OF SPECIAL TAX LIEN RECORDED JULY 5, 1990, IN BOOK F160, PAGE 1044, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOT CURRENTLY ASSESSED

4. RIGHTS AND EASEMENTS FOR COMMERCE, NAVIGATION AND FISHERIES.

AFFECTS: LAND LYING SOUTHERLY OF AN EXISTING BULKHEAD WALL, (WATERLY FACE) AS SAID WALL IS SHOWN ON THAT CERTAIN DRAWNG ENTITLED "BOARD OF STATE HARBOR COMMISSIONERS, STATE DEPARTMENT OF ENGINEERING, PLANS FOR SUBSTRUCTURE - CHINA BASIN TERMINAL, PILING AND FOUNDATION PLAN," DATED OCTOBER 26, 1921, DRAWING 4043-15, SHEET 3 OF 9.

5. CONDITIONS, RESTRICTIONS, EASEMENTS, RESERVATIONS AND LIMITATIONS AND RIGHTS, POWER, DUTIES AND TRUSTS CONTAINED IN THE LEGISLATIVE GRANTS, AS TO THE LAND OR ANY PORTION THEREOF, ACQUIRED BY THE CITY AND COUNTY OF SAN FRANCISCO, BY CHAPTER 1333 OF THE STATUTES OF 1968, AS AMENDED BY CHAPTERS 1296 AND 1400, STATUTES OF 1969, AND BY CHAPTER 670, STATUTES OF 1970, AND CHAPTER 1253, STATUTES OF 1971, AND AS MAY BE FURTHER AMENDED, AND SUCH REVERSIONARY RIGHTS AND OTHER RIGHTS AND INTERESTS AS MAY BE POSSESSED BY THE STATE OF CALIFORNIA UNDER THE TERMS AND PROVISIONS OF SAID LEGISLATIVE GRANTS.

6. "AGREEMENT RELATING TO THE TRANSFER OF THE PORT OF SAN FRANCISCO FROM THE STATE OF CALIFORNIA TO THE CITY AND COUNTY OF SAN FRANCISCO" EXECUTED BY AND BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE DIRECTOR OF FINANCE OF THE STATE OF CALIFORNIA AND THE SAN FRANCISCO PORT AUTHORITY RECORDED JANUARY 30, 1969, IN BOOK B308 OF OFFICIAL RECORDS, PAGE 686, INCLUSIVE, INSTRUMENT NO. R40413.

7. MAP ENTITLED "MAP OF LANDS TRANSFERRED IN TRUST TO THE CITY AND COUNTY OF SAN FRANCISCO" SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA FILED IN BOOK "W" OF MAPS AT PAGES 66 THROUGH 72 IN THE CITY AND COUNTY OF SAN FRANCISCO RECORDER'S OFFICE, A COPY OF WHICH WAS RECORDED MAY 14, 1976 IN OFFICIAL RECORDS OF CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, INSTRUMENT NO. Y88209.

8. PREMISES LIES WITHIN THE BOUNDS OF RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN APPROVED BY THE CITY AND COUNTY OF SAN FRANCISCO ACTING THROUGH ITS BOARD OF SUPERVISORS BY ORDINANCE NO. 14-81, ADOPTED JANUARY 5, 1981, AS AMENDED BY ORDINANCE NO. 50-84, ADOPTED JANUARY 23, 1984, AS AMENDED BY ORDINANCE NO. 405-91, ADOPTED NOVEMBER 25, 1991, AS AMENDED BY ORDINANCE NO. 137-92, ADOPTED MAY 11, 1992, AS AMENDED BY ORDINANCE NO. 270-92, ADOPTED AUGUST 10, 1992, AS AMENDED BY ORDINANCE NO. 430-94, ADOPTED DECEMBER 12, 1994, PROVIDING FOR THE CLEARANCE AND DEVELOPMENT OR RELOCATION OF CERTAIN LANDS IN THE PROJECT AREA AND THE FUTURE USES OF SUCH LAND.

   A STATEMENT THAT REDEVELOPMENT PLANS WERE INSTITUTED WAS RECORDED JANUARY 16, 1981, INSTRUMENT NO. D49089 IN BOOK D136, PAGE 29 OFFICIAL RECORDS.

   THE REDEVELOPMENT PLAN AND AMENDMENTS HAVE BEEN FILED FOR RECORD IN THE RECORDER'S OFFICE AS DOCUMENT NO. D060006 ON FEBRUARY 23, 1981; DOCUMENT NO. D478602 ON MARCH 29, 1984; DOCUMENT NO. F109621 ON APRIL 28, 1992, AND DOCUMENT NO. F237134 ON NOVEMBER 3, 1992, AND DOCUMENT NO. F816263 ON JULY 17, 1995.

   ORDINANCE NO. 276-97 WHICH, AMONG OTHER MATTERS, AUTHORIZES THE LAND DESCRIBED HEREIN TO BE PART OF THE REDEVELOPMENT PROJECT AREA.

9. DEED RESTRICTIONS PURSUANT TO SECTION 3.06 (F) OF THE LEASE DISPOSITION AND DEVELOPMENT AGREEMENT.

10. PUBLIC ACCESS AGREEMENT, IF ANY, PURSUANT TO SECTION 3.05 (B) OF THE LEASE DISPOSITION AND DEVELOPMENT AGREEMENT.

11. MATTERS WHICH MAY BE DISCLOSED BY A SURVEY TO BE PREPARED BY MARTIN M. RON ASSOCIATES, INC., LAND SURVEYORS WHICH ARE NOT INCONSISTENT WITH OTHER PERMITTED TITLE EXCEPTIONS AND WITH THE OBLIGATIONS OF THE PARTIES UNDER THE LEASE DISPOSITION AND DEVELOPMENT AGREEMENT AND THE GROUND LEASE.

ATTACHMENT 11

FORM OF ARCHITECT'S CERTIFICATE

ATTACHMENT NO. 11
FORM OF ARCHITECT'S CERTIFICATE

TO: San Francisco Port Commission
Attention: Executive Director
3100 Ferry Building
San Francisco, CA 94111

Date: _____

FROM: Architect of Record
RE: Pacific Bell Park

Note: This certificate is being provided pursuant to Section 6.05(b) of that certain Lease Disposition and Development Agreement between the City and County of San Francisco, through the San Francisco Port Commission ("Port") and China Basin Ballpark Company LLC ("Developer") dated as of _____, 1997, hereinafter referred to as the "DDA." All terms used below which are defined terms in the DDA have the same meaning herein as therein.

As the Architect of Record, I visited the Site at intervals appropriate to the stage of construction, or as otherwise agreed by me, Developer and Port, to become generally familiar with the progress and quality of the construction completed and to determine in general if the construction was being performed in a manner indicating that the construction when completed would be in accordance with the Construction Documents.

My opinions and statements provided in this certificate are limited to my on-site observations. I am not required to make nor have I made exhaustive or continuous on-site inspections to check the quality or quantity of the construction.

I neither retained nor exercised control over or charge of or am responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the construction of the Improvements. These areas solely are within the contractor's responsibility under the DDA and Construction Documents.

I shall not be responsible for the contractor's schedules or failure to carry out the work in accordance with the Construction Documents. I neither have nor have had control over or charge of acts or omissions of the contractor, subcontractor, or their agents or employees, or of any other person performing portions of the construction.

As Architect of Record for the construction of the Improvements and subject to the limitations set forth above, I hereby certify to the best of my knowledge, information and belief as follows:

1. I have observed the Improvements on _____, and all the statements made below are made as of and are limited to the date of my observation.

2. Design of the Improvements has been performed in accordance with applicable Laws.

3. Construction of the Improvements has been performed in a good and workerlike manner and in accordance with those elements of the Construction Documents which have been approved by the Port pursuant to Section 6.07(a) of the DDA except as may be noted on Schedule A attached hereto.

4. Construction of the Improvements has been completed in compliance with all applicable building codes and ordinances including, but not limited to, Disabled Access Laws, except as may be noted on Schedule A attached hereto.

5. The required certificates, approvals and permits of all governmental authorities having jurisdiction covering the work to date on the Improvements have been issued and are in force, and there is not an undischarged violation of applicable Laws of which I have notice as of the date hereof except as may be noted on Schedule A attached hereto.

All statements and opinions made in this Certificate are limited to the extent that I have not made exhaustive or continuous on-site inspections to check the quality or quantity of the construction nor have I reviewed the construction means, methods, techniques, sequences or procedures.

_____

Architect

SCHEDULE A

EXCEPTIONS TO ARCHITECT'S CERTIFICATE

DATED _____

The statements made on the Architect's Certificate to which this Schedule is attached are subject to the following exceptions:

ATTACHMENT 12

FORM OF CERTIFICATE OF COMPLETION

ATTACHMENT NO. 12

FORM OF CERTIFICATE OF COMPLETION

Recorded at the request of the
San Francisco Port Commission
When recorded, mail to:

CERTIFICATE OF COMPLETION OF IMPROVEMENTS

WHEREAS, the City and County of San Francisco, through the San Francisco Port Commission (the "Port") and China Basin Ballpark Company LLC, a Delaware limited liability company (the "Developer") entered into a Lease Disposition and Development Agreement dated as of July _____, 1997 (the "Agreement"), a memorandum of which was recorded on _____, 1997, in the Office of the Recorder of the City and County of San Francisco, in Reel _____, of the Official Records, at Image _____, setting forth the terms and conditions under which the Port and Developer would enter into a Ground Lease of certain real property situated in the City and County of San Francisco, State of California, which property is particularly described in Exhibit A attached hereto and made a part hereof (the "Property"), and setting forth certain obligations of the Developer to construct certain Improvements (as defined in the Agreement) on the Property;

WHEREAS, by Ground Lease dated _____, 19___ (the "Lease"), a memorandum of which was recorded on _____, 19___, in the Office of the Recorder of the City and County of San Francisco, in Reel ___, of the Official Records, at Image _____, the Port did convey to the Developer (as Tenant thereunder) a leasehold interest in the Property;

WHEREAS, the Port has conclusively determined that the construction obligations of the Developer as specified in the Agreement have been fully performed and the Improvements, as defined in the Agreement, completed in accordance therewith; and

WHEREAS, as stated in the Agreement, the Port's determination regarding said construction obligations is not directed to, and thus the Port assumes no responsibility by virtue of this Certificate for, engineering or structural matters or compliance with building codes and regulations or applicable laws (as defined in the Agreement) relating to construction standards;

NOW THEREFORE, as provided in the Agreement, with respect to the Property, and subject to the foregoing provisions hereof, the Port does hereby certify that such obligations and Improvements have been fully performed and completed as aforesaid and that the Agreement shall be deemed terminated and of no further force or effect.

Nothing contained in this instrument shall modify in any way any provisions of the Lease.

IN WITNESS WHEREOF, the Port has duly executed this instrument this _____ day of _____, 19____.

Authorized by [Port Resolution No. ____, adopted _____].

THE CITY AND COUNTY OF SAN FRANCISCO, through the San Francisco Port Commission

APPROVED:

_____ By_____

_____ By_____

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

_____
By Deputy City Attorney

_____

EXHIBIT A

[Legal description of the Property.]

ATTACHMENT 13

PREVAILING WAGE PROVISIONS
(LABOR STANDARDS)

ATTACHMENT 13
PREVAILING WAGE PROVISIONS
(LABOR STANDARDS)

1.01 **Applicability.** These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined the Lease Disposition and Development Agreement (the "Agreement") between China Basin Ballpark Company LLC (the "Developer") and the Port of which this Attachment and these Labor Standards are a part.

1.02 **All Contract and Subcontracts shall contain the Labor Standards. Confirmation by Construction Lender.**

(a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Developer shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. The Developer shall maintain for inspection by the Port true copies of each contract relating to the construction of the Improvements showing the specifications that contain these Labor Standards promptly after due and complete execution thereof. Failure to do shall be a violation of these Labor Standards.

(b) Before Close of Escrow under the Agreement and as a condition to the Close of Escrow, the Developer shall also supply a written confirmation to the Port from any construction lender for the Improvements that such construction lender is aware of these Labor Standards.

1.03 **Definitions.** The following definitions shall apply for purposes of this Attachment 13. All terms used herein and not otherwise defined shall have the same meaning as the same term in the Agreement and Lease.

(a) "Contractor" is the Developer if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds $10,000, and who employs Laborers, Mechanics, Working Foremen, and security guards to perform the construction on all or any part of the Improvements.

(b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including Working Foremen and security guards.

(c) "Working Foreman" is a person who, in addition to performing supervisory duties, performs the work of a Laborer or Mechanic during a least 20 percent of the work week.

1.04 **Prevailing Wage.**

(a) All Laborers and Mechanics employed in the construction of the Improvements will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by section 1.05) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Port with the Chief Building Inspector. At the time of the Close of Escrow the Port shall provide the Developer with a copy of the applicable Wage Determination.

All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.

(b) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractors shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.

(c) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Port has found, upon the written request of the Contractor, made through the Developer that the intent of the Labor Standards has been met. Records of such costs

shall be maintained in the manner set forth in subsection (a) of section 1.08. The Executive Director of the Port may require the Developer to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or program referred to above in subsection (b) of this section 1.04. The interest shall be accumulated and shall be paid as determined by the Port acting at its sole discretion.

(d) Regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

(e) The responsibility for compliance with Section 1776 of the California Labor Code shall be on the Contractor.

1.05 **Permissible Payroll Deductions.** The following payroll deductions are permissible deductions. Any others require the approval of the Port's Executive Director.

(a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.

(b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.

(c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.

(d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:

1. The deduction is not otherwise prohibited by law; and

2. It is either:

a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining or for the continuation of employment, or

b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and

4. The deduction shall serve the convenience and interest of the employee.

(e) Any authorized purchase of United States Savings Bonds for the employee.

(f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.

(h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments provided, that a collective bargaining agreement between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

1.06 **Apprentices and Trainees.** Apprentices and trainees will be permitted to work at less than the Mechanic's rate for the work they perform when they are employed pursuant to and are individually registered in an apprenticeship or trainee program approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or with the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS") or if a person is employed in his or her first 90 days of probationary employment as an apprentice or trainee in such a program, who is not individually registered in the program, but who has been certified by BAT or DAS to be eligible for probationary employment. Any employee listed on a payroll at an apprentice or trainee wage rate, who is not registered or otherwise employed as

stated above, shall be paid not less than the applicable wage rate for a Mechanic. Every apprentice or trainee must be paid at not less than the rate specified in the registered program for the employee's level of progress, expressed as a percentage of a Mechanics' hourly rate as specified in the Wage Determination. Apprentices or trainees shall be paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

1.07 **Overtime.** No Contractor contracting for any part of the construction of the Improvements which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which he or she is employed on such construction to work in excess of eight hours in any calendar day or in excess of 40 hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of 40 hours in such workweek, whichever is greater.

1.08 **Payrolls and Basic Records.**

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Improvements and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Improvements. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.

(b) 1. The Contractor shall submit to the Port on the first working Monday of each month a copy of the payrolls for the previous month in which any construction of the Improvements was performed. The payrolls submitted shall set out accurately and completely all of the information required by the Port's Form, a

copy of which may be obtained from the Port. The Contractor if a prime contractor or the developer acting as the Contractor is responsible for the submission of copies of certified payrolls by all subcontractors; otherwise each Contractor shall timely submit such payrolls.

2. Each monthly payroll shall be accompanied by the Statement of Compliance that accompanies this Attachment and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.

(c) The Contractor shall make the records required under this section 1.08 available for inspection or copying by authorized representatives of the Port, and shall permit such representatives to interview employees, upon 24 hours notice, during working hours on the job; but without causing undue disruption to the work. On request the Executive Director of the Port shall advise the Contractor of the identity of such authorized representatives.

1.09 **Occupational Safety and Health.** No Laborer or Mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her safety and health as determined under construction safety and health standards promulgated by Cal-OSHA or if Cal-OSHA is terminated, then by the federal OSHA.

1.10 **Affirmative Action Program.** The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the affirmative action program set forth in Attachment K of the Agreement. Any conflicts between the language contained in these Labor Standards and Attachment K shall be resolved in favor of the language set forth in Attachment K except that in no event shall less than the Prevailing Wage be paid.

1.11 **Nondiscrimination Against Employees for Complaints.** No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

1.12 **Posting of Notice to Employees.** A copy of the Wage Determination referred to above in subsection (a) of section 1.04 together with a copy of a "Notice to Employees," in the form appearing on the last page of these Labor Standards, shall be given to the Developer at the Close of Escrow. The Notice to Employees and the Wage Determination shall both be posted and maintained by the Contractor in a prominent place readily accessible to all applicants and employees performing

construction of the Improvements before construction commences. If such Notice and Wage Determination is not so posted or maintained, the Port may do so.

1.13 Violation and Remedies.

(a) Liability to Employee for Unpaid Wages. The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.

(b) Stop Work--Contract Terms, Records and Payrolls. If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for the construction of the Improvements to contain the Labor Standards as required by Section 1.02 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by Section 1.08 ("Non-Complying Contractor"), the Executive Director of the Port may, after written notice to the Developer with a copy to the Contractor involved and failure to cure the violation within ten working days after the date of such notice, stop the construction work under the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.

(c) Stop Work and Other Violations. For any violation of these Labor Standards, the Executive Director of the Port may give written notice to the Developer, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within ten working days from the date of said notice, the Developer shall advise the Port in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, the Developer, upon receipt of the notice of claimed violation from the Port, shall with respect to any amount stated in the Port notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Port that the moneys are being or will be withheld. If the Developer fails to timely give a Notice of the Dispute to the Port or to advise of the withhold, then the Executive Director of the Port may stop the construction of the Improvements under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.

Upon receipt of the Notice of Dispute or withhold advice, any stop work which the Executive Director has ordered shall be lifted, but the Developer shall continue to withhold the moneys until the dispute has been resolved.

(d) Withholding Certificates of Completion. The Port may withhold any or all certificates of completion of the Improvements provided for in this Agreement, for any violation of these Labor Standards until such violation has been cured.

(e) General Remedies. In addition to all of the rights and remedies herein contained, the Port shall have all rights in law or equity to enforce these Labor Standards including, but not limited to, a prohibitory or mandatory injunction.

1.14 **Non-liability of the Port.** The Developer and each Contractor acknowledge and agree that the procedures hereinafter set forth in for dealing with violations of these Labor Standards are reasonable and have been anticipated by the Parties in securing financing, in inviting, submitting and receiving bids for the construction of the Improvements, in determining the time for commencement and completion of construction and in proceeding with construction work. Accordingly the Developer, and any Contractor, by proceeding with construction expressly waives and is deemed to have waived any and all claims against the Port for damages, direct or indirect, arising out of these Labor Standards and their enforcement and including but not limited to claims relative to stop work orders, and the commencement, continuance or completion of construction.

ATTACHMENT 14

PROGRAM IN DIVERSITY

ATTACHMENT 14
Program in Diversity

This Attachment 14 is entered into as part of that certain Lease Disposition and Development Agreement ("DDA") entered into between the City and County of San Francisco acting through its Port Commission ("Port") and the China Basin Ballpark Company ("CBBC"). Unless otherwise defined in this Attachment, capitalized terms shall have the meaning given to them in the DDA. Unless otherwise provided in this Attachment, where notice is required, the procedures for notice shall be as provided in the DDA.

I. INTRODUCTION

A. The provisions of this Attachment 14 are in addition to any obligations that may be imposed pursuant to San Francisco Administrative Code Chapters 12B and 12C.

B. CBBC recognizes the unique opportunity created by Pacific Bell Park ("Project") to contribute to the economic well-being of its fans, employees and neighbors in the City and County of San Francisco. CBBC's goal is to encourage development of the Project in a manner which promotes diversity of participation and includes the active involvement of local Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs").

C. CBBC believes that the Project will generate significant employment and business opportunities for minorities and women. CBBC seeks to involve MBEs and WBEs in the Project at all levels. So that CBBC's progress may be tangibly established and measured, the overarching goals, key program components, techniques and

monitoring procedures are set forth in this document as methods for achieving economic participation by MBEs and WBEs.

D. CBBC will take the steps outlined in this Program in Diversity ("Program") to ensure that equal opportunities are afforded to bona-fide MBEs and WBEs. This Program is based on the provisions of San Francisco Administrative Code Chapter 12D.

E. In addition to the opportunities provided herein for women and minority-owned businesses, CBBC is committed to encouraging its Contractors to identify employment opportunities for economically disadvantaged San Francisco residents, subject to the requirements of this Program and prevailing wage and collective bargaining agreements and restrictions.

F. CBBC recognizes that additional effort and coordination with the Port and the Human Rights Commission ("HRC") will be required to develop a detailed plan to facilitate implementation of this Program. CBBC agrees to work in good faith with the Port and HRC to develop such an implementation plan, consistent with the terms of this Program.

II. DEFINITIONS

A. **"Commercially Useful Function"** shall mean, for purposes of determining whether a business is an MBE or WBE, that the business is directly responsible for providing the materials, equipment, supplies or services as required by the Contract. MBEs or WBEs who engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function"

unless the brokerage, referral or temporary employment services are those requested and sought for the Project.

B. **"Contract"** shall mean any agreement between CBBC, the general contractor, any prime contractor or any subcontractor (regardless of tier) with a person or entity to provide or procure labor, materials, supplies or services related to construction of the Improvements. A "contract" does not include a loan transaction.

C. **"Contractor"** shall mean any person(s), firm, partnership, corporation, or combination thereof, who enters into a Contract related to construction of Improvements.

D. **"Controlled"** shall mean, for purposes of determining whether a business is an MBE or WBE, the minority(ies), the woman or combination of minorities and women, as the context requires, shall (1) possess legal authority and power to manage business assets, goodwill and daily operations of the business; and (2) actively and continuously exercise such authority and power in determining the policies and directing the operations of the business.

E. **"Economically Disadvantaged Business"** shall mean a business whose average gross annual receipts in the last three fiscal years is below the following threshold level: construction ($14 million); goods/materials/equipment and general services suppliers ($2 million) and professional services ($2 million).

F. **"Good Faith Efforts"** shall mean the steps undertaken to comply with the goals and requirements imposed by this Attachment 14 and shall include the following:

1. Holding presolicitation or prebid meetings to inform Contractors of the MBE and WBE program requirements for the Project for which the Contract will be awarded;

2. Identifying and selecting specific items of the Project for which the Contract will be awarded to be performed by MBEs or WBEs to provide an opportunity for participation by those enterprises;

3. Advertising in one or more local daily or weekly newspapers, trade association publications, minority or trade-oriented publications, trade journals, or other media, specified by the HRC for MBEs or WBEs that are interested in participating in the Project.

4. Providing solicitations of interest in bidding on the Contract to MBEs and WBEs.

5. Following up initial solicitations of interest by contacting the enterprises to determine with certainty whether the enterprises were interested in performing specific items of the Project;

6. Providing interested MBEs and WBEs with information about the plans, specifications, and requirements for the selected Contract;

7. Requesting assistance from minority and women community organizations; minority and women contractor or professional groups; local State or Federal minority and women business assistance offices; or other organizations that

provide assistance in the recruitment and placement of MBEs or WBEs, if any are available;

8. Negotiating in good faith with the MBEs or WBEs, and not unjustifiably rejecting as unsatisfactory bids or proposals prepared by any MBEs or WBEs;

9. Where applicable, advising and making efforts to assist interested MBEs and WBEs in obtaining bonds, lines of credit, or insurance required by CBBC or its Contractors;

10. Making efforts to obtain MBE and WBE participation that CBBC could reasonably expect would produce a level of participation sufficient to meet the goals and requirements of this Program.

G. **"Improvements"** shall have the same meaning as the term has in the DDA and shall also include all interior improvements for initial use and occupancy.

H. **"Minority," "Minorities," or "Minority Person"** shall mean members of one of the following ethnic groups: Asians (defined as Chinese, Japanese, Koreans, Pacific Islanders, Samoans, Filipinos, Asian Indians, Southeast Asians), Blacks and Latinos (defined as Mexicans, Puerto Ricans, Cubans, Central or South Americans).

I. **"Minority-Owned Business Enterprise ("MBE")"** shall mean an Economically Disadvantaged local Business which is an independent and continuing business for profit, performs a Commercially Useful Function, and is Owned and

Controlled by one or more Minority Persons residing in the United States or its territories. To qualify as an MBE, the business must be listed as certified by HRC or be otherwise approved by HRC prior to the execution of a Contract related to the Project.

J. **"Ownership"** shall mean, for purposes of determining whether a business is an MBE or WBE, that the minorities or women as the context requires, shall possess and ownership interest of at least 51% of the business, and shall: (1) possess incidents of ownership, such as an interest in profit and loss, equal to at least the required ownership interest percentage; and (2) contribute capital, equipment and expertise to the business equal to at least the required ownership percentage. Ownership of an individual seeking MBE or WBE certification shall be measured as though the applicant's ownership is not subject to the community property interest of a spouse, if both spouses certify that (a) only the woman or minority spouse participates in the management of the business and (b) the non-participating spouse relinquishes control over his/her community property interests in the subject business; or both spouses have bona fide management and control of the business.

K. **"Woman-Owned Business Enterprise ("WBE")"** shall mean an Economically Disadvantaged local Business which is an independent and continuing business for profit, performs a Commercially Useful Function and is Owned and Controlled by one or more women residing in the United States or its territories. To qualify as a WBE, the business must be listed as certified by HRC or be otherwise approved by HRC prior to the execution of a Contract related to the Project.

III. MINORITY, AND WOMEN, BUSINESS ENTERPRISE PARTICIPATION PROGRAM

A. PRE-CONSTRUCTION

The pre-construction phase of CBBC's activities was conducted voluntarily by CBBC in accordance with the requirements of the San Francisco Redevelopment Agency ("Agency"). In August of 1996, the Agency's Contract Compliance Specialist provided CBBC with a document entitled "Attachment No. 7 Affirmative Action Program." This document contained a detailed presentation of the Agency's affirmative action, equal opportunity obligations and requirements for the Project. CBBC assembled its design team based on these requirements as follows:

1. Participation Goals. Under the Agency's program, CBBC made a voluntary commitment to use good faith efforts to meet the Agency's participation goals for MBEs and WBEs in non-construction contracting of 20% MBE and 18% WBE, respectively. These goals emphasized that consideration would be given to participation by local economically disadvantaged MBEs/WBEs in contracting for design services during pre-construction.

2. Results. In October of 1996, CBBC forwarded to the Agency the preliminary proposed composition of its design team for the Project, reflecting a level of participation of 19.53% MBE and 17.26% WBE. The team was also fully integrated and reflective of the diversity of San Francisco. MBEs and WBEs were featured in prominent, mainstream roles on the team. They could be found as design associates, joint venture

partners with majority-owned firms, and subcontractors. All of the firms which were counted toward meeting the goals are Bay Area-based companies, and are certified by or registered with the HRC. CBBC remains committed to using good faith efforts as defined in Attachment No. 7 to meet the Agency's goals for pre-construction activities.

B. CONSTRUCTION

1. Goals. CBBC and its general contractor and all prime contractors will use Good Faith Efforts as defined herein to award Contracts for the Project to MBEs and WBEs. In connection with the various construction stages of the Project, CBBC's goal is to award at least __% to MBEs and at least __% to WBEs of the total value of all Contracts for the Project. **[Subject to ongoing discussions. Goals will be established prior to 7/16 Port Commission hearing.]** CBBC will work with the Port and HRC to identify certain specialty items that are appropriately excluded both from the total Contract value and MBE/WBE calculations. With the exception of these excluded items, Contractors supplying materials in the ordinary course of their Contract-related activities shall receive full credit for such materials.

IV. REPORTING AND MONITORING

CBBC shall designate a contract compliance officer (the "CBBC Contract Compliance Officer"). The CBBC Contract Compliance Officer will be responsible for internal monitoring, data gathering and reporting of compliance with all of the provisions of this Program. The CBBC Contract Compliance Officer will also be responsible for acting as a liaison between CBBC, the Port and the HRC with respect to this Program. CBBC will require the CBBC Contract Compliance Officer to submit annual reports to the

Port and the HRC regarding its contracting achievements. The CBBC Contract Compliance Officer will also make quarterly progress report presentations as provided below.

The HRC will also appoint a contract compliance officer (the "HRC Contract Compliance Officer"). The HRC Contract Compliance Officer will act as a liaison between the HRC, the Port and CBBC with respect to this Program. The HRC Contract Compliance Officer will be responsible for reviewing the annual reports submitted to the Port and the HRC and will also receive quarterly progress report presentations from the CBBC Contract Compliance Officer. The HRC Contract Compliance Officer will monitor and report to the Port regarding the compliance by CBBC with this Program.

If the HRC Contract Compliance Officer makes an initial determination that CBBC is not in compliance with this Program, s/he shall advise the Port of this initial determination. If the Port is in concurrence with the findings of the HRC Contract Compliance Officer, the Port will then advise CBBC of the initial determination and the basis therefor. If CBBC disputes the initial determination, the Port shall promptly schedule a meeting between representatives of CBBC, the Port and the HRC and the parties will meet and confer in an attempt to resolve the dispute. If the dispute is not resolved through the meet and confer process, the exclusive process for resolving any compliance dispute shall be the process between the Port and CBBC as provided in § V below.

The Port shall have the authority to request, either at its own initiative or at the inquiry of HRC, that the CBBC Compliance Officer provide evidence, including pertinent

CBBC records, to establish that CBBC is in compliance with or will comply with the provisions of this Program. CBBC shall provide such records within a reasonable period of a request by the Port, provided that such requests shall be made only on a periodic basis, not to exceed once per quarter.

V. REMEDIES

A. The Port's Right of Enforcement. For purposes of enforcement, the Port is and shall be the beneficiary of the obligations, requirements and agreement established by this Attachment 14. The Port is the beneficiary for itself, in its own right, and also for purposes of protecting the interest of the community, and other parties, public or private, in whose favor and for whose benefit such obligations, requirements or agreements have been provided. Accordingly, the Port shall have the sole right to enforce said obligations, requirements and agreements against CBBC and its Contractors.

B. Remedies and Sanctions. Only the following remedies and sanctions may be awarded against the noncompliant party(ies) either by an arbitrator or a court of competent jurisdiction, as applicable:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the noncompliance and/or to bring CBBC and/or its noncompliant Contractors into compliance.

2. Order delivery of the Site where the Port has refused to convey the Site pursuant to § VI of this Attachment 14. The arbitrator may condition conveyance on CBBC completing specific remedial actions or agreement to take specific remedial actions after the conveyance.

3. If CBBC or a Contractor is found to be in willful breach of its obligations hereunder, impose financial penalties not to exceed $50,000 for each such breach on the party responsible for the willful breach; provided that in determining the amount of any financial penalty to be assessed, the arbitrator shall consider the financial capacity of the breaching party. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

4. Direct that CBBC or the Contractor produce and provide to the Port any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of CBBC or a Contractor.

C. Initiating Non-Binding Arbitration, Request for Arbitration. Non-binding arbitration, as provided for in this Attachment 14, shall be the procedure of first resort for resolving any dispute concerning the interpretation, implementation or alleged breach of this Program that is not resolved through the meet and confer process described in § IV above. Obtaining a final judgment through arbitration as provided in this Attachment shall be a condition precedent to the ability of either party to file a request for judicial relief based upon this Program. The Port and CBBC may take any dispute pursuant to this

Attachment 14 to arbitration by filing a Request for Arbitration ("Request") with any member of the panel of arbitrators attached hereto as Exhibit 1. Prior to filing the Request, the complaining party may determine by telephone if a particular arbitrator is available to hear the matter. Where CBBC is the complaining party, the Request shall be served on the Port. Where the Port is the complaining party, the Request shall be served on CBBC. The Request shall be filed and served either by hand delivery or by registered or certified mail. The Request shall identify other entities involved in the dispute, if any, and state the exact nature of the dispute and the relief sought. If the complaining party seeks a temporary restraining order and/or a preliminary injunction, the Request shall so state in the caption of the Request.

D. Effect of Service on CBBC. Service on CBBC of the Request or any notice provided for by this Attachment 14 shall constitute service of the Request or notice on all Contractors who are identified as being in alleged noncompliance in the Request. CBBC shall promptly serve the Request or notice, by hand delivery or registered or certified mail, on all such Contractors.

E. Parties' Participation. CBBC shall require, by contract, that each of its Contractors participate in any arbitration proceedings in which it is identified in the Request, and that each shall be bound by the outcome, including the decision of the arbitrator.

F. Arbitrator's Ability to Act. The agreement between the parties and the arbitrator shall provide that, except where a temporary restraining order is sought, the arbitrator with whom the Request was filed shall notify the Port and CBBC by telephone within 48 hours if s/he is not available to act as arbitrator. Where a temporary restraining order is sought, such notice shall be provided within 24 hours. If the arbitrator is not available, s/he shall immediately designate one of the other members of the panel appearing on Exhibit 1 hereto to be the arbitrator.

G. Negotiations Prior to Arbitration. Prior to the filing and service of a Request, the parties to any arbitrable dispute shall meet and confer in an attempt to resolve the dispute as provided in § IV above. After the filing and the service of a Request, the parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to arbitration, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction (temporary relief). Whether the facts reasonably supported the issuance of temporary relief shall be determined by the arbitrator and shall not, under any circumstances, be determined by a court.

H. Setting of Arbitration Hearing. If the dispute is not settled within 10 business days, a hearing shall be held within 90 days of the date of the filing of the Request unless otherwise agreed by the parties or ordered by the arbitrator upon a showing of good cause; provided, that if the complaining party seeks a temporary restraining order,

the hearing on the motion for a temporary restraining order shall be heard not later than two (2) business days after the filing of the Request, and provided further, if a party seeks a preliminary injunction, such motion shall be heard on 15 days' notice. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the proscribed time periods by giving notice by hand delivery to the Port and CBBC; except, where a temporary restraining order is sought, the arbitrator may give notice of the hearing date, time and place to the Port and CBBC by telephone.

I. Discovery. In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure § 1283.05.

J. Arbitrator's Decision. The arbitrator shall make his/her award within 20 days of the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his/her award not later than 24 hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to the Port, CBBC and the noncompliant Contractor, if any.

K. Default Award; No Requirement to Seek an Order Compelling Arbitration. The arbitrator may enter a default award against any party who fails to appear at the hearing; provided said party received actual notice of the hearing. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure § 1281.2.

L. Arbitrator Lack of Power to Modify. Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of this DDA, this Attachment 14, or any other agreement between the Port and CBBC, or to negotiate new agreements or provisions between the parties.

M. Jurisdiction/Entry of Judgment. The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the request for arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon the Port, CBBC, and noncompliant Contractors, if any, sent by mail to the Port, CBBC and the noncompliant Contractor, if any, unless a party files a request for judicial relief with a court of competent jurisdiction with respect to any claims pursuant to this Attachment 14 within fifteen (15) working days after the issuance of the arbitrator's decision. If any such claim is timely filed, the petitioning party shall be entitled to de novo judicial review. The losing party in arbitration shall pay the arbitrator's fees and related costs of arbitration. Each party shall pay its own attorneys' fees provided that fees may be awarded to the prevailing party if the arbitrator finds that the Request was frivolous or that the arbitration action was otherwise instituted or litigated in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

N. Delays Due to Enforcement. In the event that CBBC does not timely perform its obligations under this DDA because of an arbitrator's order against a party other than CBBC, the time for any performance by CBBC shall be extended for a period

commensurate with the period of said cessation of work; provided, however, that CBBC shall take all actions reasonably necessary to minimize any delays.

O. California Law Applies. California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

P. Exculpatory Clause. CBBC and its Contractors expressly waive any and all claims against the Port for damages, direct or indirect, arising under this Attachment 14, including, but not limited to claims relative to the commencement, continuance and completion of construction. CBBC and Contractors acknowledge and agree that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Attachment 14 and the affirmative action, equal opportunity obligations of this DDA are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids for the planning, design and construction of the Improvements, and in determining the times for commencement and completion of the planning, design and construction of related work. CBBC will require in Contracts with its Contractors that such Contractors consent to the provisions of this Exculpatory Clause and will in turn obtain the written consent of their subcontractors, regardless of tier, to the provisions of this Exculpatory Clause.

Q. Designation of Agent for Service. Not later than five (5) days after the execution of this DDA, CBBC shall designate a person or business as its agent for service of a Request and all notices provided for herein.

R. NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL EXCEPT AS PROVIDED IN SECTION M ABOVE. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

_____	_____
Port of San Francisco	CBBC

VI. CONDITION PRECEDENT

A. If the Port determines that CBBC is in breach of this Attachment 14, the Port may require, as a condition precedent to the Port's obligation to convey the Project site, that CBBC cure the alleged breach.

B. If CBBC disagrees with the Port's determination that it is in breach, CBBC, as its exclusive remedy of first resort, may take the dispute to arbitration pursuant to § V of this Attachment 14.

VII. SEVERABILITY

The provisions of this Attachment 14 incorporated herein are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Attachment, or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of the Attachment, or the validity of their application to other persons or circumstances.

VIII. ADJUSTMENTS

Since construction of the Improvements to which this Program applies may not occur for several years after execution of the DDA, if the Port's affirmative action program is revised to increase the dollar limit for Economically Disadvantaged Businesses, those revisions shall be deemed incorporated herein.

Exhibit 1
Panel of Arbitrators

To be attached at execution

ATTACHMENT 15

MITIGATION MEASURES
(CONSTRUCTION)

ATTACHMENT 15

MITIGATION MEASURES
(CONSTRUCTION)

The Port adopted findings pursuant to the California Environmental Quality Act ("CEQA") in connection with the approval of this Agreement under Port Commission Resolution No_____. These findings include mitigation measures which will be implemented and monitored by the Port and other agencies pursuant to the mitigation monitoring program adopted by the Port. This Attachment 15 contains only construction-related mitigation measures adopted by the Port for which the Developer has sole or shared responsibility for implementation. The numbering system below corresponds to the system used in the mitigation monitoring program.

C2. PILE-DRIVING NOISE

Consult with the Port to determine the times when pile driving would cause the least disturbance to neighboring uses. Require the construction contractor to limit pile-driving activity to result in the least disturbance to people. This could require a work permit from the Director of Public Works pursuant to San Francisco Noise Ordinance Section 2908, if pile driving during nighttime hours were required.

Require the construction contractor to pre-drill holes for piles (if feasible, based on soils) to the maximum feasible depth, to minimize noise and vibration from pile driving. The actual pounding from pile driving would occur during a five- to eight-minute span per pile, if pre-drilling is feasible.

D1. CONSTRUCTION PM_{10}

Require the contractor to implement the following mitigation program, developed from the Bay Area Air Quality Management District's (BAAQMD) master list of feasible PM_{10} control measures, at all construction sites of the proposed project:

- Water all active construction areas at least twice a day, or as needed to prevent visible dust plumes from blowing off-site;
- Use tarpaulins or other effective covers for on-site storage piles and for haul trucks that travel on streets;
- Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all *unpaved* parking areas and staging areas at construction sites;

- Sweep all *paved* access routes, parking areas, and staging areas daily (preferably with water sweepers);

- Sweep streets daily (preferably with water sweepers) if visible amounts of soil material are carried onto public streets; and

- The BAAQMD recommends suspending excavation and grading on large construction sites when high winds cause visible blowing dust. This measure would be included by the Developer as a condition of the construction contract.

- Obtain reclaimed water from the Clean Water Program for dust control purposes during construction.

F1. SHALLOW-DRAFT TUGBOATS FOR TURBIDITY MINIMIZATION

Require the construction contractor to use shallow-draft tugboats to prevent turbidity and sediment re-suspension caused by tugboat activity.

Also require the construction contractor to operate the tugboats at the minimum speed necessary to maintain maneuverability of the barges. Slower speeds would reduce the spin of tugboat propellers, thus minimizing turbidity and sediment re-suspension.

F2. MONITORING OF PACIFIC HERRING SPAWNING

Specify in construction contracts that if tugboat use or pile driving activities in the Bay were scheduled during the peak spawning season of December 1 to March 1 the following conditions must be fulfilled:

- A professional fisheries biologist, or other individual sufficiently competent to identify herring spawning activity, would monitor the project site daily at any time when tugboats are in use or any pile driving activity occurs in the Bay;

- In the event that the on-site biologist or qualified staff person detects herring spawning at, or within 200 meters of, tugboat berthing areas or areas in the Bay where pile driving activity is taking place, the biologist or qualified staff person would immediately notify the Environmental Review Officer and the ballpark construction manager who would cease tugboat use and/or all pile driving activity in the Bay for a minimum of 14 days, or until the on-site biologist determines that the hatch has been completed and larval herring have left the site. Tugboat operations and pile driving activity in the Bay may be resumed thereafter.

F3. SILT CURTAIN FOR SUB-MARINE PILE-DRIVING AND BULKHEAD REPAIR

Install a silt curtain for sub-marine pile-driving activities around each pilot hole location prior to drilling the holes and driving the piles.

Ensure that an underwater silt curtain be used to surround areas of the bulkhead that are scheduled for repair during the peak spawning season.

F4. DEBRIS CONTROL DURING BULKHEAD REPAIR

Require the contractor for the bulkhead repair work to use suspended or floating platforms covered with tarps and to use catch-nets. Replace tarps as necessary. Place catch-nets of a sufficient gauge beyond the edges of the platforms and placed flush against the curtain wall of the bulkhead to ensure that all debris is prevented from entering the Channel.

F5. PREVENTION OF TOXIC SPILLS FROM PIER 46B DISCHARGE PIPE

Require the contractor for the bulkhead repair work to inspect the discharge pipe with a probe for the presence of toxic material. If material is found in the pipe, a sample would be collected and tested at a certified laboratory. If laboratory results show that the material is hazardous or toxic, the material either would be removed from the pipe before it is removed from the bulkhead, or the pipe would be plugged prior to removal, so that spills of toxic material into the Channel are prevented. Any toxic material found would be disposed of at an approved facility.

F6. ENCLOSURE OF ZINC APPLICATION AREA

Specify in construction contracts that the working area for application of zinc coating to the bulkhead be enclosed to the extent feasible with impervious material to contain excess spray and over-drift.

G1. SUBSURFACE RESOURCES

Given the location and depth of excavation proposed, and the likelihood that archaeological resources would be encountered on the project site, the Developer has agreed to retain the services of an archaeologist. The archaeologist would carry out a pre-excavation testing program to better determine the probability of finding cultural and historical remains. The testing program would use a series of mechanical, exploratory borings or trenches and/or other testing methods determined by the archaeologist to be appropriate.

If, after testing, the archaeologist determines that no further investigations or precautions are necessary to safeguard potentially significant archaeological resources, the archaeologist would submit a written report to the Environmental Review Officer (ERO), with a copy to the Developer. If the archaeologist determines that further investigations or precautions are necessary, he/she shall consult with the ERO and they shall jointly determine what additional procedures are necessary to minimize potential effects on archaeological resources.

These additional mitigation measures would be implemented by the Developer and might include a program of on-site monitoring of all site excavation, during which the archaeologist would record observations in a permanent log. The monitoring program, whether or not there are finds of significance, would result in a written report to be submitted first and directly to the ERO, with a copy to the Developer. During the monitoring program, the Developer would designate one individual on site as his/her representative. This representative would have the authority to suspend work at the site to give the archaeologist time to investigate and evaluate archaeological resources should they be encountered.

Should evidence of cultural resources of potential significance be found during the monitoring program, the archaeologist would immediately notify the Environmental Review Officer (ERO), and the Developer would halt any activities which the archaeologist and the ERO jointly determine could damage such cultural resources. Ground-disturbing activities which might damage cultural resources would be suspended for a total maximum of four weeks over the course of construction.

After notifying the ERO, the archaeologist would prepare a written report to be submitted first and directly to the ERO, with a copy to the Developer, which would contain an assessment of the potential significance of the find and recommendations for what measure should be implemented to minimize potential effects on archaeological resources. Based on this report, the ERO would recommend specific additional mitigation measures to be implemented by the Developer. These additional mitigation measures might include a site security program, additional on-site investigations by the archaeologist, and/or documentation, preservation, and recovery of cultural material.

Finally, the archaeologist would prepare a report documenting the cultural resources that were discovered, an evaluation as to their significance, and a description as to how any archaeological testing, exploration and/or recovery program was conducted.

Copies of all draft reports prepared according to this mitigation measure would be sent first and directly to the ERO for review. Following approval by the ERO, copies of the final report(s) would be sent by the archaeologist directly to the President of the Landmarks Preservation Advisory Board and the California Archaeological Site Survey Northwest Information Center. Three copies of the final archaeology report(s) shall be submitted to the Office of Environmental Review, accompanied by copies of the transmittals

documenting its distribution to the President of the Landmarks Preservation Advisory Board and the California Archaeological Site Survey Northwest Information Center.

No specific locations of archaeological sensitivity are identified; however, ship and boat remains could be buried almost anywhere in the project area. Because of this sensitivity, locations where construction excavation would take place, that otherwise are not subject to archaeological investigation, would be subject to archaeological monitoring.

ATTACHMENT 16

IMPROVEMENT MEASURES (CONSTRUCTION)

ATTACHMENT 16

IMPROVEMENT MEASURES

(CONSTRUCTION)

General

1. Developer shall require its general contractor to appoint a community liaison officer(s) who shall be the primary contact person to address any neighborhood complaints regarding construction. The Community Liaison Officer(s) shall be available by telephone or pager whenever construction or staging activities are taking place on or near the site. The Community Liaison Officer(s) shall cooperate with any committee formed by the CAC to monitor compliance with mitigation measures. The phone number of the Community Liaison Officer would be posted at the construction site and made known to the adjacent community to assure prompt response to complaints. The Community Liaison Officer should ensure implementation of dust control and other construction measures.

2. Developer shall enclose, cover, water twice daily, or apply soil binders to exposed stockpiles of sand, gravel, and dirt.

3. Prior to noisy construction activity (i.e., pile driving), Developer's contractors should notify and meet with the Rincon Point-South Beach Citizens Advisory Committee to inform it of dates, hours, and duration of such activities.

Noise

1. Multiple pile driving rigs shall be employed when feasible in order to compress the pile driving schedule.

2. Subject to the approval of the Port, pile driving hours of operation shall be limited to (i) weekdays from 8:00 a.m. to 6:00 p.m., and (ii) during the hours of 11:00 a.m. to 5:00 p.m. on Saturdays no more than once per month during the first two (2) months following commencement of pile driving, and thereafter as necessary for the Developer to meet its construction schedule.

3. Electric, rather than diesel, cranes shall be utilized if available at a competitive cost.

Traffic and Parking

1. Developer's general contractor shall designate specific truck routes which avoid the South Beach residential neighborhood east of Second, south of Bryant and west of the Embarcadero, and direct all subcontractors and vendors to utilize such routes.

2. Trucks and other equipment shall be staged on-site or adjacent areas or south of the channel only.

3. Adequate off-street parking for construction workers shall be provided south of the channel.

4. Schedule truck operations to avoid the morning and evening peak periods in order to minimize conflicts between construction truck traffic and area traffic. In addition, the contractor could be required to use an on-site supervisor to direct all truck operations onto and off of the site.

South Beach Harbor

1. The Developer's Community Liaison Officer will cooperate with the Harbor Master to address problems arising from construction activities. The Developer shall take appropriate precautions on the Site to protect boats and piers from damage caused by construction of the Initial Improvements, such as grit and oil/paint vapors.

2. Any owner of a boat in South Beach Harbor who believes that his or her boat has been soiled or damaged by Ballpark construction activities shall report such damage to the Harbor Master in a timely manner. Upon receiving such report, the Harbor Master shall inspect or cause to be inspected the suspected soiling or damage. If the Harbor Master determines that the boat appears to have been soiled or damaged due to Ballpark construction activities, the Harbor Master shall contact Developer's Community Liaison Officer, who shall, together with the boat owner and the Harbor Master, examine the boat in a timely manner. If the Community Liaison Officer concurs that the damage or soiling appears to have been caused by Ballpark construction activities, Developer shall make arrangement and assume responsibility for cleaning or repair of the boat as applicable.

ATTACHMENT 17

MEMORANDUM OF AGREEMENT

(ATTACHMENT TO BE ENCLOSED AT EXECUTION)

ATTACHMENT 18

MEMORANDUM OF LEASE

(ATTACHMENT TO BE ENCLOSED AT EXECUTION)

ATTACHMENT 19

MEMORANDUM OF BASEBALL SUBLEASE

(ATTACHMENT TO BE ENCLOSED AT EXECUTION)

ATTACHMENT 20

OWNER PARTICIPATION AGREEMENT

OWNER PARTICIPATION AGREEMENT

By and between the Redevelopment Agency
of the City and County of San Francisco
and China Basin Ballpark Company LLC,
a Delaware limited liability company

Dated _____, 1997

Project Area: _____
Assessor's Block ___, Lot ____

OWNER PARTICIPATION AGREEMENT

This OWNER PARTICIPATION AGREEMENT ("Agreement") is entered into and is effective as of _____, 1997, between the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO (the "Agency"), a public body, corporate and politic, and CHINA BASIN BALLPARK COMPANY LLC, a Delaware limited liability company (the "Owner").

RECITALS

A. The Agency prepared a Redevelopment Plan for the Rincon Point-South Beach Project Area and the City and County of San Francisco (the "City"), acting through its Board of Supervisors, has by Ordinance No. 14-81 adopted January 5, 1981, approved a Redevelopment Plan for the Project Area, as amended by the Redevelopment Plan Amendment approved by Ordinance No. 50-84 adopted on January 23, 1984; as amended by the Redevelopment Plan Amendment approved by Ordinance No. 405-91, adopted on November 25, 1991; as amended by the Redevelopment Plan Amendment approved by Ordinance No. 137-92, adopted on May 11, 1992; as amended by the Redevelopment Plan Amendment approved by Ordinance No. 270-92, adopted on August 10, 1992; as amended by the Redevelopment Plan Amendment approved by Ordinance No. ___-9_, adopted on _____ __, 199_, and as further amended by the Redevelopment Plan approved by Ordinance No.276-97, adopted on July 7, 1997, providing for the clearance and redevelopment or rehabilitation of certain lands in the Project Area and the further uses of such land (the "Plan").

B. On March 26, 1996 the voters of the City and County of San Francisco adopted proposition B pursuant to which the City, through the San Francisco Port Commission (the "Port"), has entered, or will enter into that certain Lease Disposition and Development Agreement with Owner dated as of _____ __, 1997 (the "LDDA"), for the purpose of developing and operating an open air water front ballpark and complementary improvements to be known as the "Pacific Bell Park" on real property bounded generally by the easterly line of 3rd Street, the southerly line of King Street, the easterly line of 2nd Street and China Basin Channel in San Francisco, California (the "Ballpark"). Annexed to the LDDA as Attachment 5 is a Ground Lease, dated as of the date of the LDDA between the Port and Owner for the Ballpark (the "Ground Lease").

C. The Ballpark is adjacent to the South Beach park and marina ("South Beach Park") which includes parking for the users of the marina (the "marina parking"). As part of the overall plan for the Ballpark and the adjacent park and parking the Agency will enlarge the capacity of the existing marina parking area, and the Owner will construct surface parking and a parking area for trucks servicing the Ballpark (the "Ballpark parking"). The Agency and the Owner will share access to the marina parking and the Ballpark parking (the "Access Parcel").

D. In addition, as part of the overall plan, the Agency has agreed to seek approval from the Board of Supervisors to provide up to $15,000,000 to be used in the construction of infrastructure for the Ballpark and to mitigate certain impacts of the Ballpark on the surrounding neighborhood, which funds will be raised by the Agency through the sale of tax allocation bonds. No proceeds of the tax allocation bonds will be made available to the Owner in excess of the capacity of the tax increment generated from development of the Ballpark to pay debt service on

the bonds. In this way, no tax increment will be drawn for the Ballpark from other redevelopment project areas or from other parcels in the Project Area.

NOW, THEREFORE, the Agency and the Owner agree as follows:

ARTICLE 1 - DEFINITIONS

1 - DEFINITIONS

The following terms have the meanings and content set forth in this Article 1, wherever used in this Agreement.

1.1 Agency The Agency is a public body, corporate and politic, exercising its functions and powers and organized and existing under the Community Redevelopment Law of the State of California and includes any successor public Agency designated by or pursuant to law. The principal office of the Agency is located at 770 Golden Gate Avenue, San Francisco California 94102-3102.

1.2 Owner The Owner is a limited liability company organized and existing under the laws of the State of Delaware. Pursuant to the LDDA, it is contemplated that the Owner will be the lessee of the Site defined in Section 1.3 by the Ground Lease (as defined below). The principal office/address of the Owner is _____
_____.

1.3 Site and Improvements

1.3.1 The Site The Site is a parcel of real property situated in the Project Area shown on the Site Plan (Attachment A hereto) and described in the Site Legal Description (Attachment B hereto), containing approximately 12.5 acres.

1.3.2 The Improvements The Improvements are the buildings, structures and other improvements described in the Scope of Development attached to the LDDA as Attachment 3 thereto (the "Scope of Development") and approved by the Agency as hereinafter provided for construction on the Site by the Owner.

1.4 The Development and Permitted Uses

1.4.1 The Development The Development includes all physical construction on the Site (whether rehabilitation and/or new construction) described in the LDDA Scope of Development, as approved by the Agency as provided for herein.

1.4.2 Permitted Uses The permitted uses are those specified in the Ground Lease.

1.5 The Plan and Declaration of Restrictions The Plan is the Redevelopment Plan described in the Recitals to this Agreement, which is incorporated herein and made a part hereof as if set forth in full.

1.6 The Ground Lease The Ground Lease is that certain lease agreement dated as of _____ __, 1997 by and between the City, through the Port, as lessor therein, and Owner, as lessee therein, substantially in the form attached to the LDDA as Attachment 5 thereto.

1.7 Tax Increment Revenues Property taxes, including possessory interest taxes, assessed against interests in the Site or Improvements in the Site and available to be allocated to the Agency by the Board of Supervisors.

ARTICLE 2 - CONSTRUCTION OF THE IMPROVEMENTS

2.1 Entitlement Agency acknowledges that upon compliance by Owner with all of the terms and conditions of this Agreement, Owner is entitled to use the Site and construct the Improvements thereon in accordance with the LDDA and the Scope of Development.

2.2 Submission of Final Construction Documents The Owner will deliver the final construction documents to the Agency at the times established in the Schedule of Performance attached to the LDDA as Attachment 4 thereto.

2.3 Approval of Permits The Owner is advised that the City forwards all site and building permits within redevelopment project areas to the Agency for Agency approval.

2.4 Covenants The Owner covenants by and for itself and its successors and assigns to and for the benefit of the Agency as follows:

2.4.1. The Site, shown on the Site Plan (Attachment A) described in the Site Legal Description (Attachment B), and the Development described in the Scope of Development, and any part thereof, is and shall be subject to the Plan, the Declaration of Restrictions and this Agreement and shall be maintained in accordance therewith and without limiting the foregoing, shall be devoted to the uses specified in the Plan (as amended from time to time with the consent of the Owner) and Declaration of Restrictions and this Agreement and shall not be devoted to any other use or used for any other purpose.

2.4.2 The Owner shall comply with the terms and provisions of the LDDA and shall timely perform its obligations thereunder, including without limitation, the construction of all Improvements in accordance with the terms of the LDDA. Issuance by the Port of a Certificate of Completion pursuant to the LDDA shall conclusively establish satisfaction of the Owner's obligations under this Article 2.

2.4.3 Owner shall maintain insurance coverage in the amounts and against the perils as specified in the LDDA and the Ground Lease. The Agency shall be named as an additional insured on the commercial general liability insurance policies.

ARTICLE 3 - CONSTRUCTION, OPERATION AND MAINTENANCE OF THE ACCESS AREA IMPROVEMENTS

3.1 Cleanup The Owner hereby covenants to and for the benefit of the Agency to remove from the Agency's property adjacent to the Site, including without limitation South Beach Park,

including the adjacent marina facilities, all debris and refuse thereon resulting from the use of the Site by Owner, its sublessees and assignees, or their respective employees, agents, guests and invitees within 12 hours of the conclusion of Baseball Home Games or Other Events (as defined in the Ground Lease). Alternatively, the Owner shall, subject to agreement between the Agency and the Owner, pay to the Agency an amount of money equal to the incremental cost incurred by the Agency in removing such debris and refuse.

3.2 Obstructions The Owner hereby covenants to and for the benefit of the Agency to keep clear, and to cause all employees, agents, guests and invitees to keep clear, of any blockage by motor vehicles or any other obstruction, that portion of the Site Plan designated as area "C".

3.3 Compliance with Applicable Laws The Owner shall also maintain and operate the Site and any improvements thereon in compliance with all applicable laws, regulations, ordinances and codes of the United States of America, State of California and of the City.

3.4 Ingress - Egress Easement - Site Plan Area "C" The Owner shall construct at its sole cost and expense over the Agency Property described on the Site Plan as Area "C" a paved area for pedestrian and vehicular access in accordance with plans and specifications approved by Agency, such that the same will be completed on or before the date of completion of the ballpark. Concurrently with the issuance of the Certificate of Completion (as defined in the LDDA) by the Port as provided in the LDDA, the Agency shall, pursuant to an instrument mutually acceptable to the Agency and the Owner, grant to the Owner, its sublessees and assignees, their respective employees, agents, guests and invitees a nonexclusive easement for ingress and egress of pedestrian traffic over and across that portion of the Agency property designated on the Site Plan as Area "C". The term of such easement shall be limited to the shorter of the term of the Ground Lease (including any extension options) or the term of the Agency's leasehold on Area "C". The dimensions of the Access Parcel may be adjusted with the approval of the Agency to accommodate the construction of improvements on South Beach Park, provided that no such adjustment shall interfere with either party's access rights or the Agency's use of South Beach Park, including but not limited to parking for marina tenants. The Owner acknowledges that the Agency has an obligation under its loan agreement with the Cal Boating Loan program, operated by the State of California, to maintain parking facilities for at least 349 automobiles in connection with the marina.

3.4.1 During any period that the access to parking in South Beach Park is blocked by construction activities, the Owner will provide and maintain at its sole cost and expense a temporary access road across South Beach Park north of the Ships Clerks Union Hall, at a specific location approved by the Agency, to the parking area in South Beach Park. At the conclusion of construction activities, the Owner shall remove the temporary access road and restore the landscaping in that area at its sole cost and expense.

3.5 Maintenance Costs Any and all maintenance, repair, replacement or restoration of the improvements on the portion of the Agency property description on the Site Plan as Area "C" shall be performed by the Agency and the cost thereof shall be borne equally by Owner and Agency.

3.6 Removal of Improvements. There presently exist certain improvements of the Port on Agency property adjacent to the Ballpark and marked area "D" on the Site Plan. Owner shall demolish all such improvements at Owner's expense on or before six months after commencement

of construction on the Ballpark pursuant to a standard Agency Permit to Enter to be issued to Owner by the Agency and executed by the Owner.

ARTICLE 4 - FINANCING

4.1 Funds to be Provided by Agency

4.1.1 The Agency will request the Board of Supervisors to approve an amendment to the Agency's 1997-98 fiscal year budget authorizing the Agency to issue tax allocation bonds (the "Bonds") in an amount sufficient to produce net proceeds not to exceed $15,000,000 (or such lesser amount as may be determined by the Agency in its sole discretion based on the projected Tax Increment Revenues which will be available to pay debt service on the Bonds in accordance with Section 4.1.2 below and the anticipated interest rates on the Bonds) for the purposes and in the amounts listed in Attachment "C" hereto. It is anticipated that the Bonds will bear fixed rates of interest. The proceeds of the Bonds (excluding proceeds, if any, used to pay the costs of issuance of the Bonds or applied to fund a reasonably required reserve fund) shall be disbursed to or at the direction of the Agency and held in an escrow (the "Escrow") and used as provided in Section 4.1.2. The Agency agrees to use its best efforts to issue the Bonds by no later than October 15, 1997 or a later date determined in consultation with the Owner. The Owner shall use the proceeds solely for the purposes set forth in Attachment "C" hereto.

4.1.2 At such time as the ballpark is generating Tax Increment Revenue (including prior to issuance by Port of its Certificate of Completion, if applicable), provided no Event of Default is then outstanding under the LDDA and/or the Ground Lease, the Agency will disburse or cause to be disbursed to Owner from amounts on deposit in the Escrow on or prior to each October 1, but in no event later than three years after the date of issuance, an amount of Bond proceeds the debt service on which, taking into account the issuance costs and reserve fund deposit, if any, attributable *pro rata* to such proceeds, is equal to 80% of such Tax Increment Revenue for debt service on the Bonds. The amount of available Tax Increment Revenue shall be calculated by deducting from gross Tax Increment Revenue generated by the Ballpark (i) the Tax Increment Revenue required to be paid to other taxing entities pursuant to the Community Redevelopment Law of the State of California, being California Health and Safety Code Section 33000 *et seq.*, and (ii) that portion of Tax Increment Revenue which the Agency is required to deposit into its Low and Moderate Income Housing Fund ("Available Tax Increment Revenue"). The Agency will be required to disburse Bond proceeds to Owner no more than once a year on each October 1 until and including three years after the date of issuance.

4.1.3 To the extent that amounts on deposit in the Escrow have not been disbursed to Owner by the end of three years after the date of issuance, whether or not a *Force Majeure* event has occurred, the Agency will be under no further obligation to disburse any additional Bond proceeds to Owner. Additionally, if Owner has not commenced construction of the Ballpark within six months of the issuance of the Bonds, the Agency will be under no obligation to disburse any Bond proceeds on deposit in the Escrow to Owner, and may dissolve the Escrow and redeem the Bonds and/or use the proceeds in its sole discretion.

4.1.4 The Owner shall be responsible for the payment of the costs of issuance of the Bonds. In addition, the Owner agrees to pay the Agency an administrative issuance fee equal to one percent (1%) of the aggregate principal amount of the Bonds from proceeds otherwise

available to the Owner. In its sole discretion, the Agency may require the Owner to pay such costs and the issuance fee at the time of issuance of the Bonds, or may permit such sums to be paid in whole or in part from proceeds of the Bonds.

4.1.5 The Agency and the Owner both acknowledge that all or a portion of the Bonds may not be able to be sold on a tax exempt basis. The Agency agrees to use reasonable efforts to structure the Bonds so that the maximum amount of Bonds can be issued on a tax exempt basis, consistent with the use of the proceeds of the Bonds by Owner, provided that the Agency shall be under no obligation to issue all or any of the Bonds on a tax exempt basis if such issuance would prevent the Agency from requiring financial assurances or guarantees which the Agency deems necessary, in its sole discretion, to minimize its risks in connection with the issuance of the Bonds.

4.1.6 During any period that funds are available for disbursement from the Escrow, the Owner may pay all installments of possessory interest taxes for any fiscal year of such period on or before November 15 of the applicable tax year. Any such payments shall be considered to be Tax Increment Revenue for purposes of Section 4.1.2.

4.1.7 In the tax fiscal years 1999-2001 it is contemplated that the Available Tax Increment Revenue may exceed the amount necessary to pay debt service on the Bonds. In each of such years the Agency shall pay the amount of such excess to Owner immediately after paying annual debt service on the Bonds. Owner shall use such funds solely for the purposes specified in Attachment "C".

4.1.8 If in any fiscal year of the Agency beginning after all of the funds in the Escrow have either been fully disbursed to the Owner or used to redeem the Bonds, the Tax Increment Revenue that is generated by the Ballpark during such fiscal year and available to the Agency to pay debt service on the Bonds is insufficient to pay such debt service in full, the Owner shall pay the difference between the amount of Available Tax Increment Revenue and the actual debt service on the Bonds within ten (10) days after written demand from the Agency. In addition to any remedies for breach of this Agreement provided in Article 5 hereof, Owner acknowledges and agrees that default or breach of this Section 4.1.8 shall constitute a default of the Ground Lease, and the Ground Lease so provides.

4.1.9 Certain of the obligations of the Owner under Section 4.1.8 shall be guaranteed by a Guaranty annexed as Attachment 9 to the LDDA. As conditions to the Agency's issuance of the Bonds, the Owner shall have executed and delivered the LDDA, the owner of the San Francisco Giants Baseball Team shall have executed and delivered the Guaranty, and there shall be no outstanding event of default under the LDDA.

ARTICLE 5 - REMEDIES OF AGENCY AND ACCESS TO SITE

5.1 Remedies In the event of default or breach of any of the terms of this Agreement by the Owner (an "Event of Default"), and the Owner fails or refuses to correct or cure such default or breach within ten (10) days after written notice from the Agency (or if the default or breach cannot reasonably be cured within ten (10) days, within such periods may be reasonably necessary to permit said cure), the Owner agrees that the Agency may, at its option, elect to terminate this Agreement and/or exercise all of the remedies available to the Agency in law or in equity, including, without limitation, the right of specific performance of this Agreement.

5.2 Termination of LDDA

In the event of the termination of the LDDA for any reason before commencement of the term of the Lease, Agency may terminate this Agreement.

5.3 Access to Site The Owner agrees to permit and does hereby permit the Agency on reasonable prior notice access to the Site following conveyance for any purpose deemed necessary by the Agency for carrying out the provisions of the Plan and this Agreement.

ARTICLE 6 - MISCELLANEOUS PROVISIONS

6.1 Indemnification The Owner shall defend, hold harmless and indemnify the Agency, the City and County of San Francisco and their respective members, officers, agents, and employees, (collectively, the "Indemnified Parties") from and against all claims, losses, damages, costs or expenses (including, but not limited to, attorneys' fees and court costs), injuries, actions, causes of action, and liabilities of every kind, nature and description ("Losses") in connection with the occurrence or existence of any of the following: (i) any injury to or death of any person (including workers), or loss or damage to property occurring on the Site or any part of the Site during the Term of this Agreement; (ii) any use, possession, occupation, operation, maintenance, repair or management of the Site (and adjoining sidewalks) or the Park Access Parcel, or any portion thereof, by Owner, its agents, employees, subtenants and invitees; (iii) any failure on the part of owner to perform or comply with any of the terms of this Agreement or of Owner or any of its agents or subtenants to comply with applicable laws (including, but not limited to, Disabled Access Laws and Hazardous Materials Laws, as those terms are defined in the Ground Lease), or any failure on the part of Owner to perform or comply with any terms of the LDDA, including the Project Requirements (as defined in the LDDA), with respect to construction of the Improvements; (iv) performance of labor or services or the furnishing of any materials or other property in respect of the Improvements or any part of the Site by the Owner, its Agents or its Subtenants (including, but not limited to, any such activities under the LDDA or this Agreement); (v) any construction work or activities performed on or about the Site under this Agreement or the LDDA, including but not limited to, any accident, injury to or death of persons (including workers) or loss of or damage to property whether on or off the Property; and (vi) any negligence or wilful misconduct or alleged negligence or wilful misconduct on the part of Owner, or any of its agents during the Term of this Agreement. Notwithstanding the foregoing, however, Owner shall not be required to defend, hold harmless or indemnify Agency or any other Indemnified Parties against Losses to the extent proximately caused by the gross negligence or wilful misconduct of Agency or any other Indemnified Party. If any action, suit or proceeding is brought against any Indemnified Party by reason of any occurrence for which Owner is obliged to defend, hold harmless or indemnify such Indemnified Party, such Indemnified Party will promptly notify Owner of such action, suit or proceeding. Owner shall have the right to defend, and upon the request of an Indemnified Party, Owner shall defend, at no cost to such Indemnified Party, such action, suit or proceeding, by counsel designated by Owner and reasonably approved by such Indemnified Party in writing.

6.2 Limitations of Liability of Members It is understood and agreed that no member, official or employee of the Agency shall be personally liable to the Owner or any successor in interest in the event of any default or breach of this Agreement by the Agency or for any amount which may become due to the Owner or successor or any obligations under the terms of this Agreement.

6.3 Incorporation of Attachments and Recitals All attachments to this Agreement and Recitals are incorporated herein and made a part hereof as if set forth in full.

6.4 Notices A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

(i) in the case of a notice or communication to the Agency, San Francisco Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102-3102
At.: Executive Director

(ii) in the case of a notice or communication to the Owner, addressed to the principal office/address of the Owner as set forth in Section 1.2 of this Agreement,

or addressed in such other way in respect to either party as that party may from time to time designate in writing dispatched as provided in this Section.

All formal notices, demands, approvals, consents and other communications between the Agency and the Owner must be in writing and will be deemed given and effective (i) upon personal delivery on a business day or (ii) three (3) business days after deposit in the United Stated mail, first class postage prepaid, to the Agency or the Owner at their respective addresses for notice designated below.

In order for a request for any approval required pursuant to the terms of this Agreement to be effective, it must be clearly marked "Request for Approval" and state (or be accompanied by a cover letter stating) substantially the following:

(i) the section of this Agreement pursuant to which the request is made and the action or response required;

(2) the period of time within which the recipient of the notice must respond; and

(3) that the failure to object to the notice within the stated time period will be deemed to be the equivalent of the recipient's approval of or consent to the request for approval which is the subject matter of the notice.

6.5 Time of Performance

(a) All Owner performance (including cure) dates expire at 5:00 p.m. (San Francisco, California time) on the performance or cure date.

(b) A performance date which falls on a Saturday, Sunday or Agency holiday is automatically extended to the next Agency working day.

(c) Time is of the essence in the performance of all the terms and conditions of this Agreement.

6.6 Headings Any titles of the several parts and sections of this Agreement and inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

6.7 No Discrimination There shall be no discrimination against or segregation of any person or groups of persons on account of race, color, creed, religion, national origin, ancestry, sex, age, marital status, sexual orientation or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site.

6.8 Successors and Assigns This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Agency and the Owner and where the term "Owner", "Agency", purchaser or purchasers is used in this Agreement, it shall mean and include their respective successors and assigns, and their heirs, executors and administrators in the case of individuals. Every conveyance of the Site or any part thereof covered by this Agreement shall, in addition to any other covenants, contain covenants on the part of the Grantee, for the Grantee and the Grantee's heirs, successors and assigns of the Site (which covenants shall bind the Grantee, and the Grantee's heirs, its successors and assigns, and all persons claiming under or through them) to effectuate that the Development, or part or parts thereof, will be carried out as in this Agreement provided, that the Site will be devoted to the uses specified in the Plan, the Declaration of Restrictions and this Agreement, and shall not in whole or in part be devoted to any other uses or used for any other purposes.

6.9 Counterparts/Formal Amendment Required This Agreement is executed in two (2) or more counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

Any modification or waiver of any provision of this Agreement or any amendment thereto must be in writing and signed by a person or persons having authority to do so, on behalf of both the Agency and the Owner.

6.10 Agreement Date Upon execution of this Agreement by Owner, the date that this Agreement is entered into and is effective, shall be the date the Agency Commission approves this Agreement and authorizes its execution by the Agency (unless the Commission specifies another date). The effective date shall be inserted by the Agency on page 1 hereof at the time it executes this Agreement. "The date of this Agreement" or "Agreement date" where used in this Agreement or in any of its attachments shall mean and be the effective date determined as set forth above and shown on page 1.

6.11 Recordation It is understood and agreed by the parties hereto that this Agreement will be recorded after execution by the Agency.

6.12 Separate Declaration of Restrictions The Owner also agrees to take or permit the Agency to take all steps legally necessary or required to permit the imposition of this Agreement and the Declaration of Restrictions upon the Site, including but not limited to the execution and recordation of such documents including this Agreement and the Declaration of Restrictions, as

may be necessary or desirable. Owner agrees to execute all documents necessary and appropriate to give effect to the foregoing.

6.13 *Force Majeure* For the purposes of any of the provisions of this Agreement, neither the Owner nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the beginning and completion of the Development, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to *Force Majeure* as defined in Section 13.01(b) of the LDDA; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the Owner with respect to the Development shall be extended for the period of the enforced delay: provided, however, that the Owner shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the Agency thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

6.14 Leasehold Liens The Owner may assign, mortgage or encumber its interest under this Agreement to any Mortgagee under a Mortgage permitted under the Ground Lease, and in such event all of the provisions set forth in the Ground Lease relating to the rights of Mortgagees shall also apply to the rights and obligations of the Owner and the Agency under this Agreement.

IN WITNESS WHEREOF, the Agency has caused this Agreement to be duly executed on its behalf and the Owner, has signed or caused this Agreement to be signed by a duly authorized person, all as of the day first above written.

Authorized by Agency Resolution
No. _____, adopted _____.

By: _____
Sr. Deputy Executive Director

Approved as to form:

By: _____
Patsy R. Oswald
Assistant Secretary

By: _____
David M. Madway
Agency General Counsel

Agency Development and Real Estate
Approval:

By: _____
G. Scott Phillips
Development and Real Estate

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic

OWNER:

CHINA BASIN BALLPARK COMPANY,
LLC, a Delaware limited liability company

By: _____

Title: _____

ATTACHMENT A

SITE PLAN

ATTACHMENT B

SITE LEGAL DESCRIPTION

ALL that certain real property situated in the City and County of San Francisco, State of California, described as follows:

ATTACHMENT C
PUBLIC IMPROVEMENT COSTS
PACIFIC BELL PARK
SAN FRANCISCO GIANTS

Category	Item	Estimated Cost
Bulkhead Repair	Repair Bulkhead	$ 4,004,000
Off-Site Improvements	Allowance for Off Site Improvements/1	1,800,000
On-site Utilities	Berry St. Sewer Relocation	500,000
On-site Utilities	Relocate SF Water Department	85,000
		585,000
Port Walk	New Piles for Port Walk	721,000
Port Walk	Portion of Rock Columns Cost	1,653,000
Port Walk	Grouting under existing structure	448,000
Port Walk	Guard Rail at Port Walk	456,000
		3,278,000
Sidewalks & Public Spaces	Public Art	80,000
Sidewalks & Public Spaces	Concrete sidewalks	698,000
Sidewalks & Public Spaces	Plaza Areas	455,000
Sidewalks & Public Spaces	Trees and Tree Wells	255,000
Sidewalks & Public Spaces	Public Landscaping	721,000
Sidewalks & Public Spaces	Pavers, Curb & Gutter & Chaulking	59,000
Sidewalks & Public Spaces	Site Furnishings	80,000
Sidewalks & Public Spaces	Building Facade Lighting of Public Space	488,000
Sidewalks & Public Spaces	Improvement of Park Access Road	160,000
		2,996,000
Site Clearing	Portion for Public Improvements	1,340,000
Site Clean Up	Portion for Public Improvements	270,000
Other Project Costs	Other Project Costs	727,000
Total Public Improvement Costs		$ 15,000,000

Note: The estimated costs shown in this attachment are preliminary and subject to change with approval by the Agency.
1. Includes $500,000 allowance for ferry landing facilities if needed.

ATTACHMENT 21

HAZARDOUS MATERIALS: CONDITIONS OF REGULATORY AGENCIES FOR APPROVAL OF DEVELOPMENT OF THE PROJECT

al/EPA

n Francisco Bay
gional Water
ality Control
ard

11 Webster Street Suite
)
kland, CA 94612
0) 286-1255
X (510) 286-1380

Pete Wilson
Governor

Date: November 25, 1996
File No: 38S0045

John Yee
San Francisco Giants
3COM Park at Candlestick Point
San Francisco, California 94124

SUBJECT: Approval of Site Investigation Report and Risk Evaluation at Giants Pacific Bell Park Site, San Francisco, California

Dear Mr. Yee:

This letter responds to the Geomatrix letter dated November 22, 1996 and your October 1996 Site Investigation Report and Risk Evaluation of the subject site. The report focused on a field investigation that included soil sampling, groundwater sampling, and baseline water quality characterization. Results of this investigation are used in risk evaluation including human health risk evaluation, sereening-level ecological risk evaluation, and construction worker health hazard evaluation.

The report also recommends probing the areas of suspected USTs after initial demolition of existing buildings at the site, including guidelines in the Site-specific health and safety plan (HASP) to respond to anticipated or unanticipated residual chemical or buried structures that may be encountered during excavation, and monitoring the extent of the chemicals in groundwater near the former location of temporary wellpoint WP-06 during dewatering activities in case mitigation measures are necessary.

Based upon the implementation of these recommendations, Regional Board staff hereby approves the site investigation report and risk evaluation. If you have any questions, please contact Vic Pal of my staff at (510)286-0687.

Sincerely,

Loretta K. Barsamian
Executive Officer

Steve Morse
Chief, Toxics Cleanup Division

cc: Amanda Spencer, Geomatrix Consultants

STATE OF CALIFORNIA - CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY PETE WILSON, Governor

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

SAN FRANCISCO BAY REGION
2101 WEBSTER STREET, Suite 500
OAKLAND, CALIFORNIA 94612
Tel: (510) 286-1255
FAX: (510) 286-1380
BBS: (510) 286-0404

Date: October 4, 1996
File: UST (VP)

Mr. John Yee
San Francisco Giants
3COM Park at Candlestick Point
San Francisco, CA 94124

Dear Mr. Yee:

We have received the following documents describing the proposed approach, methods and procedures for investigating the subject site submitted by Geomatrix Consultants, Inc.(Geomatrix) on behalf of the China Basin Ballpark Company:

- "Work Plan for Investigation of the Giants Pacific Bell Site", dated April 1996;
- Addendum 1, dated May 1996;
- Addendum 2, dated July 1996;
- Memorandum to Mr. Vic Pal of RWQCB from Ms. Amanda Spencer of Geomatrix: "Response to Comments on Addendum Two to the Work plan for Investigation of the Proposed Giants ' Pacific Bell Ballpark Site', dated August 22, 1996;
- Memorandum to Mr. Vic Pal of RWQCB from Ms. Amanda Spencer of Geomatrix: "Approach for Assessing Extent of Chemical Containing Water near a Subsurface Utility Beneath Berry Street", dated August 22, 1996;
- "Health Risk Evaluation Work plan", dated August 1996;
- Letter to Mr. Vic Pal of RWQCB from Mr. Greg Brorby of Geomatrix: "Response to Comments on Health Risk Evaluation Work plan", dated September 26, 1996.

Based upon Board staff review of the above documents and the review and input from staff of the California Environmental Protection Agency - Department of Toxic Substances Control (DTSC), the San Francisco Department of Public Health, the Port of San Francisco, and the California Department of Transportation, we approve of the proposed approach , methods, and procedures to investigate the environmental conditions and evaluate the potential human and ecological health risk at the subject site. Should you have any questions regarding this letter, please contact Mr. Vic Pal at (510) 286-0687.

Sincerely,

Loretta K. Barasamian
Executive Officer

Stephen I. Morse
Chief, Toxics Cleanup Division

cc. Dean Macris, Giants
Pam Hollis, SFDPH
Janet Naito, DTSC
Carol Bach, Port of San Francisco
Subhash Agarwal, Caltrans
Sangeeta Goyal, EIP
Amanda Spencer, Geomatrix

Cal/EPA

San Francisco Bay
Regional Water Quality Control Board

2101 Webster Street
Suite 500
Oakland, CA 94612
(510) 286-1255
FAX (510) 286-1380

Pete Wilson
Governor

Date: October 16, 1996
File: 2169.10 (VP)

Mr. John Yee
San Francisco Giants
3 COM Park at Candlestick Point
San Francisco, CA 94124

Dear Mr. Yee:

We have reviewed the following documents detailing the results and conclusions from the soil and groundwater monitoring program , and the risk evaluation of the collected data. These documents were prepared for the Pacific Bell Ballpark Site by Geomatrix Consultants, Inc.(Geomatrix) on behalf of the China Basin Ballpark Company:

- "Draft Site Investigation Report and Risk Evaluation, Volume One", dated September 1996

- "Draft Site Investigation Report and Risk Evaluation, Volume Two", dated September 1996

Based upon Board staff review of the above documents and the review and input from staff of the California Environmental Protection Agency - Department of Toxic Substances Control (DTSC), the San Francisco Department of Public Health, the Port of San Francisco, and the California Department of Transportation, staff have summarized comments below:

1) Based on the results of the Draft Site Investigation Report and Risk Evaluation, Board staff would require a land use restriction be recorded on the deed to the property to assure that the property remain in commercial or industrial use.

2) Soil data collected as part of the investigation detected concentrations of pollutants in portions of the site exceeding the hazardous waste criteria. A Soil Management Plan will be necessary to describe the handling, storage, and disposal of excavated soils.

3) Section 5.3 of the report shall contain a statement that the preparer of the Site Construction Worker Health and Safety Plan will be made aware of the this Site Investigation Report and Risk Evaluation.

Recycled Paper

4) Dilution credits are not applicable for non-POTW types of discharges and discharges into shallow waters.

5) If dewatering is to occur then an analysis of the TPH plume emanating from near WP-6 need be conducted to determine if hydraulic control has been lost and migration of the pollutants is occurring

Should you have any questions regarding this letter, please contact Mr. Vic Pal at (510) 286-0687.

Sincerely,

Loretta K. Barsamian
Executive Officer

Stephen I. Morse
Chief, Toxics Cleanup Division

cc. Dean Macris, Giants
Pam Hollis, SFDPH
Janet Naito, DTSC
Carol Bach, Port of San Francisco
Subhash Agarwal, Caltrans
Sangeeta Goyal, EIP
Amanda Spencer, Geomatrix

City and County of San Francisco

Department of Public Health
Bureau of Environmental Health Management

December 3, 1996

Mr. John Yee
San Francisco Giants
3COM Park at Candlestick Point
San Francisco, CA 94124

Re: Giants Pacific Bell Ball Park
San Francisco, CA

Dear Mr. Yee:

We have completed our review of the following documents submitted for the above referenced project site located between King and China Basin Channel, and Third and Second Streets:

① Workplan for Investigation of the Giants Pacific Bell Site, dated April 1996, authored by Geomatrix Consultants (Geomatrix),
along with Addendum 1 (May 1996), Addendum 2 (July 1996), and memorandums dated Aug 22, 1996 - entitled Response to Comments on Addendum Two and Approach for Assessing Extent of Chemical Containing Water near a Subsurface Utility Beneath Berry Street - and Sept 20, 1996 - entitled Additions to Addendum 2 of the Work Plan

② Health Risk Evaluation Work plan, dated August 1996, authored by Geomatrix
along with letter dated Sept 26, 1996 - entitled Response to Comments on Health Risk Evaluation Work plan

③ Site Investigation Report and Risk Evaluation: Volumes 1 through 4, authored by Geomatrix, dated Oct 1996,
along with a clarification letter dated Nov. 22, 1996 discussing the applicability of dilution credits for non-POTW types of discharges into shallow waters

④ Soil Management Plan, authored by Geomatrix, dated Nov. 1996

The Workplan and its attachments has been found to satisfy the requirements for the Site History as set forth in Article 20 of the Department of Public Works Code. The Site Investigation Report and Risk Evaluation with its attachment has been found to satisfy the requirements for the Soil Analysis Report as set forth in the above noted article.

Through our review of the Soil Management Plan, noted as document #4 above, and discussions with the consultant, Geomatrix, our understanding of the project with respect to the soils proposed to be disturbed is as follows:

1. The entire site will be encapsulated either by the foundation of the proposed buildings or the playing field.
2. Dust control measures will be implemented for all activities involving the disturbance of soils.
3. The foundation of the buildings will consist of a three(3) foot thick concrete mat with the utilities placed inside of the concrete mat.

4. The utilities will go through the mat to reach the proposed depth of eight(8) feet and elbow out to existing utilities in King Street.
5. The existing soils within the playing field area shall be prepared in the following manner:
   a. existing soils will be removed to depths varying from four(4) to seven(7) feet,
   b. a continuous geotextile membrane will be placed over the entire excavated area, and
   c. the excavated soils will be returned and recompacted into place on top of the geotextile membrane.
6. Clean sand or other suitable material will be placed on top of the native soils to create the drainage system for the playing field, approximately three(3) to four(4) feet,
7. Sod and grass will be the final layer that's laid for the playing surface.
8. All drainage and irrigation systems will be at least one(1) foot above the sand/soil interface.
9. The old box sewer located under Berry Street is anticipated to be closed in place.

In light of the above noted conditions and the recommendations contained within documents #1 (including attachments) and #4, the Soil Management Plan has been found to satisfy the requirements for the Site Mitigation Plan as set forth in the above noted article.

A Certification Report for the proposed project is required to be submitted as determined through the Site Investigation Report and Risk Evaluation with its attachment. This report shall be submitted within sixty(60) working days of completing the proposed encapsulation work and shall include the following:

① a narrative of the approved mitigative measures instituted, any deviation(s) from the approved mitigation measures and the corresponding justification(s),

② copies of the laboratory results of confirmatory sampling where performed, completed chain of custody forms when used, and any other appropriate documentation for sampling and disposal of soils,

③ a site map that has the placement and depth of impacted soils and geotextile membrane surveyed in with respect to property boundaries, building/foundation structures, utilities, drainage lines, and any other surface and/or underground landmark(s) or structures,

④ a certification statement signed by the report preparer that:

"in his/her professional judgment the mitigative measures as stated above have been implemented and should be protective of human health and safety and of the environment."

The Soils Management Plan, noted as document #4, lacks the following items for long term maintenance which may be included within the Certification Report:

1. **Responsible Person(s):** The name(s) and telephone number(s) of the contact person(s) and their alternates that are to be called in the event that there is an

emergency which has caused a breach in the foundation cap. This person(s) shall have the authority to commit funds, to order, and to enact whatever corrective action is required.

2. **Facility Map:** The map shall indicate the location of the expected type and potential quantity (if known) of the contaminant(s) with respect to the location(s) of the utilities, irrigation &/or drainage lines, building foundation(s), and property boundaries. A cross sectional representation shall also be provided which indicates the as-built design of the playing field along with its associated irrigation and drainage systems.
3. **Cap Maintenance:** A schedule for facility walk-throughs to check on the integrity of the site cap (i.e. building foundation(s) and playing field), maintenance of a written log with comments about each walk-through (i.e. time, date, and person performing the walk-through), cap condition(s), repairs, and repair date, etal.
4. **Contaminants:** Include with the summary table of the known contaminants a copy of the toxicity summary tables as previously provided in the Site Investigation and Risk Evaluation, noted as document #3.
5. **Health & Safety guidelines:** A health & safety plan or a checklist indicating what needs to be in the plan to protect the health & safety of workers with respect to anticipated, e.g. coal tar, or unanticipated residual chemicals.
6. **Contingency Plan:** A plan of action in the event of an emergency situation where the facility cap has been breached. This plan would include a step by step set of instructions of who to contact and in what order in the event of a breach of the facility cap and the conditions under which outside containment services would be required. A copy of this contingency plan shall be maintained in the on-site business office and all maintenance personnel shall be made aware of its existence and location.

The intent of the deed notification is to notify any perspective buyer(s) of the property of the need for specific handling procedures to be used when impacted soils are disturbed. The need for a separate deed notification may be waived were similar language included within the required deed restriction. The plan and proposed deed restriction language shall be submitted to the Departments of Public Works, Public Health, and Port Authority for review and approval. The deed restriction shall be recorded with the Recorder's Office once approved.

If there are any questions regarding any of the above, please call Ms. Pamela Hollis at (415) 554-2792.

Very truly yours,

Ben Gale, REHS
Director

cc: Vic Pal
CA Regional Water Quality Control Bd.
SF Bay Region
2101 Webster St, Ste. 500
Oakland, CA 94612

Dean Macris
SF GIANTS
Candlestick Park
San Francisco, CA 94124

Janet Naito
Cal/Environmental Protection Agency
Dept of Toxic Substances Control
700 Heinz Ave, Ste. 200
Berkeley, CA 94710-2737

Amanda Spencer
Project Manager
Geomatrix Consultants, Inc.
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San Francisco, CA 94111

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Dept of Transportation - Region 4
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Oakland, CA 94623-0440

Sangeeta Goyal
Environmental Engineer
EIP Associates
601 Montgomery St, Ste. 500
San Francisco, CA 94111

Scott Nakamura, HWPMgr
Pamela Hollis, HWP
Carol Bach, Port

ATTACHMENT 22

DEED RESTRICTION

(ATTACHMENT TO BE BE ENCLOSED AT EXECUTION)

ATTACHMENT 23

PERMIT TO ENTER PROPERTY IN CONNECTION WITH BALLPARK PRE-CONSTRUCTION ACTIVITIES

ATTACHMENT 23

PERMIT TO ENTER PROPERTY IN CONNECTION WITH BALLPARK PRE-CONSTRUCTION ACTIVITIES

This permit to Enter and Use Property (the "Permit") is entered into this _____ day of ____, 1997, by and between the City and County of San Francisco ("City"), a municipal corporation acting through the San Francisco Port Commission ("Port"), China Basin Ballpark Company LLC ("CBBC") a ____ and _____ a _____ corporation, (CBBC and____ are jointly referred to herein as "Permittee").

This Permit is entered into on the basis of the following facts, understandings and intentions of the Parties:

A. Permittee desires to perform certain pre-construction activities, including ____ on certain Port property within the area commonly known Pier 46B, and adjacent property leased by the Port to the San Francisco Redevelopment Agency known as South Beach Harbor (the "Property"), specifically identified herein at Section 1, in furtherance of developing a ballpark (the "Project").

B. The Port desires to provide this Permit to accommodate Permittee's schedule for developing the ballpark.

C. This Permit does not commit the Port to issuance of any additional permits to enter, building permits or other regulatory permits or approvals to allow any person to carry out the Project.

D. The Port and Permittee wish to set forth their understandings as they relate to Permittee's use of the Property for the pre-construction activities.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, THE CITY, THE PORT AND PERMITTEE HEREBY AGREE AS FOLLOWS:

Section 1. Grant of Use. Port hereby grants to Permittee and its contractors and consultants a temporary, non-possessory, non-exclusive right to enter upon and use that certain real property owned by the City and County of San Francisco and the Port, said property being more particularly shown on Exhibit "A" attached hereto ("Permit Area"). Permittee's use of the Permit Area shall be subject to the conditions and restrictions set forth in this Permit.

Section 2. Use of the Permit Area. Permittee shall use the Permit Area for the sole purpose of the activities described in the attached Exhibit "B" (the "Permitted Activities"). Any

amendments or alterations to the Permitted Activities to be performed by the Permittee or its contractors and consultants pursuant to this Permit must be approved in writing by Port prior to performance of the work.

If any activity permitted hereby involves the drilling or excavation of holes having a diameter dimension that could create a safety hazard for persons, said holes shall, during any drilling or excavation operations, be carefully safeguarded and shall upon the completion of said drilling or excavation operations be refilled (and compacted to the extent necessary) to the level of the original surface penetrated by the drilling or excavation. Any hole drilled or evacuation shall, if not refilled and compacted at the end of each day's operations, be carefully safeguarded and secured after the completion of each day's work. Except for wells needed for subsequent monitoring or wells Port requests Permittee to leave in place, Permittee shall abandon any wells placed on the Permit Area in accordance with San Francisco Department of Public Health protocols.

Section 3. Conditions Precedent. Permittee's right to use the Permit Area is expressly subject to Permittee having provided to Port satisfactory evidence of the insurances required pursuant to Section 13 of this Permit and proof that each contractor or consultant possesses the necessary licenses and/or certifications required by California regulatory agencies.

Upon issuance of this Permit, Permittee shall pay Port a fee of $_____ and compensate Port for any additional administrative costs directly associated with the issuance of the Permit and oversight of activities related thereto, such as overtime costs for Port employees required to open facilities after regular business hours.

Section 4. Term of Permit. The rights granted pursuant to this Permit are temporary only and shall commence on ___, 1997, and shall expire on _____, 1997. If Permittee fails to materially comply with the terms and conditions of this Permit and such failure is not cured by Permittee within five (5) days of notice by Port, or in the case of a non-compliance which cannot be cured within five (5) days, Permittee has not commenced and is not diligently pursuing the cure of said non-compliance, this Permit shall terminate and Permittee shall forthwith remove all equipment and installations from the Permit Area, and shall restore the Permit Area to its former condition if the work has a material adverse effect on the Permit Area.

Section 5. No Interference With Use. Permittee shall not materially interfere with or obstruct Port's, Port's tenant or tenant's invitee's use of the Permit Area, or their conduct of normal business operations thereon. Work performed pursuant to

this Permit must be conducted in or at a reasonable time and location acceptable to Port.

The Port has no responsibility or liability of any kind or character with respect to any utilities that may be located in or on the Permit Area. Permittee has the sole responsibility to locate the same and protect the same from damage. Permittee shall be solely responsible for any damage to utilities or damages resulting from any damage to utilities.

Section 6. Compliance With Laws/Hazardous Materials.

a. Definitions.

(1) "Environmental Laws" means any federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Permit Area, including, without limitation, soil, air, bay water and groundwater conditions.

(2) For purpose of this Permit, the term "Handle" or "Handling" means to use, generate, process, produce, package, treat, store, emit, discharge, dispose, or transport.

(3) For purpose of this Permit the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal, or local government authority to be a hazardous or toxic substance or material, including without limitation, any hazardous substance as defined in Section 101(14) of CERCLA (42 USC Section 9601(14)) or Sections 25281(f) or 25316 of the California Health and Safety Code, and any hazardous material as defined in Section 25501(k) of the California Health and Safety Code, and any additional substances or materials which at such time are classified or considered to be hazardous or toxic under any federal, state or local law, regulation or other exercise of governmental authority.

(4) For purposes of this Permit, the term "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment of any Hazardous Material (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Material or pollutant or contaminant).

b. Compliance with Laws. All activities performed on the Permit Area by Permittee, its officers, agents,

employees, contractors and subcontractors (collectively, "Agents") shall be done in a safe and reasonable manner, in accordance with all laws, regulations and orders of any governmental or other regulatory entity, and in such manner as not to cause or allow any Hazardous Material to contaminate soils or groundwater on, under or about the Permit Area. Before beginning any work in the Permit Area, Permittee shall obtain any and all permits, licenses and approvals of all regulatory agencies that are required to commence and complete the Permitted Activities.

c. No Hazardous Materials. Except for Hazardous Materials, including groundwater and soil containing Hazardous Materials, extracted from the Permit Area by Permittee in accordance with the Permitted Activities, and any Hazardous Materials reasonably necessary for conducting the Permitted Activities under this Permit, Permittee covenants and agrees that neither Permittee nor any of its Agents shall handle any Hazardous Materials in, on, under or about the Permit Area. All Hazardous Materials handled by Permittee on the Permit Area during the term of this Permit shall be handled in compliance with all Environmental Laws. Permittee shall protect its employees and the general public in accordance with all Environmental Laws. Port may from time to time request, and Permittee shall be obligated to provide, information reasonably adequate for Port to determine that any and all Hazardous Materials are being handled in a manner which complies with all Environmental Laws.

d. Removal of Hazardous Materials. Prior to the termination of this Permit, Permittee, at its sole cost and expense, shall cause to be removed any and all Hazardous Materials extracted from or introduced in, on, under or about the Property by Permittee or its Agents. All costs of storage, shipping and disposal of extracted soils and groundwater shall be the responsibility of Permittee including, without limitation, the costs of preparation and execution of shipping papers, including but not limited to manifests. Permittee will appropriately contain and label Hazardous Materials and non-hazardous materials and will promptly inform the Port that such action has been performed.

Section 7. No Costs to Port. Permittee shall bear all costs or expenses of any kind or nature in connection with use of the Permit Area and the Permitted Activities, including but not limited to all costs of excavation, construction, operation, sampling, monitoring, testing, transporting and disposing of soil or groundwater and backfilling, and shall keep the Permit Area free and clear of any mechanics' liens or other claims of lien arising out of or in any way connected with its use of the Permit Area.

Section 8. Repair of Damage. If any portion of the Permit Area, or any other property of the Port or its employees located on or about the Permit Area, is damaged by any of the activities conducted by Permittee, its officers, agents, employees, contractors or subcontractors, Permittee shall immediately, at its own cost and expense, repair any and all such damage and restore said property to its previous condition.

Section 9. Indemnity.

(a) General Indemnity. Permittee agrees to indemnify, hold harmless and defend, the City and Port and their officers, agents and employees, against any and all claims, judgments, losses, costs, damages, penalties, fines or liabilities of whatever kind (collectively "Claims") arising in any manner out of (i) any injury to or death of any person or damage to or destruction of any property occurring in, on, under or about the Permit Area, or any part thereof, whether to the person or property of Permittee, its employees, agents, consultants, contractors, or subcontractors (collectively "Agents"), or third persons, resulting from any use or activity of Permittee or its Agents under this Permit, (ii) any failure by Permittee to faithfully observe or perform any of the terms, covenants or conditions of this Permit, or (iii) the use of the Permit Area or any activities conducted thereon under this Permit by Permittee or its Agents; except only to the extent of Claims resulting directly from the gross negligence or willful misconduct of City or Port or either's authorized representative.

(b) Toxics Indemnity. Permittee agrees to indemnify, hold harmless and defend City and Port and their officers, agents and employees, from and against any and all claims, demands, actions, causes of actions or suit (actual or threatened), losses, costs, expenses, obligations, liabilities, or damages, including interest, penalties, engineering consultant and attorneys' fees of every kind, nature and description, (collectively "Toxics Claims") resulting from (i) any Release of a Hazardous Material at the Permit Area caused by or allowed by Permittee or its Agents whether or not the Hazardous Materials at the Permit Area were present prior to the execution of this Permit; (ii) any requirement of a Regulatory Agency for Investigation or Remediation of any Hazardous Materials at the Permit Area arising out of or in connection with the activities under this Permit; (iii) any handling of any Hazardous Material, including that in soil or groundwater, extracted from the Permit Area by Permittee in connection with the specific investigation activities undertaken by Permittee pursuant to this Permit, or (iv) any breach of or failure to duly perform or observe any term, covenant or agreement in this Permit to be performed or observed by Permittee, including but not limited to, any violation of any Environmental Law.

(c) The foregoing indemnity obligations in paragraph 9(a) and 9(b) shall include reasonable attorney's fees, investigation costs and all other reasonable costs and expenses incurred by City or Port from the first notice that any Claim or Toxics Claim is or may be made. The provisions of this paragraph shall survive termination of this Permit.

(d) In addition to Permittee's obligation to indemnify and hold harmless City and Port, Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend City and Port from any Claim or Toxics Claim which actually or potentially falls within the indemnification provisions of paragraph 9(a) or 9(b), even if the allegations are or may be groundless, false or fraudulent. Permittee's obligations to defend shall arise at the time such Claim or Toxics Claim is tendered to Permittee by City or Port and shall continue at all times thereafter.

Section 10. Limitation on Assignment. This Permit is personal to Permittee and shall not be assigned.

Section 11. Waiver of Liability. The Port shall not be liable for any damage to the property of Permittee, its officers, employees, agents, contractors or subcontractors, or their employees, or for any bodily injury or death to any such officer, employee, agent, contractor or subcontractor, or their employees, resulting or arising from the condition of the Permit Area or its use by Permittee with the exception of damage or injury caused directly by the active, willful or intentional misconduct of the Port, its officers, agents or employees.

Section 12. Removal of Equipment and Installations. Upon completion of activities on the Permit Area, Permittee shall remove all equipment and installations from the Permit Area.

Section 13. Insurance. During the term of this Permit, Permittee shall cause to be maintained in full force and effect at its own cost and expense at all times while Permitted Activities are being conducted, insurance in the following amounts and coverages:

(a) Workers' Compensation, with Employers' Liability limits not less than $_,000,000 each accident.

(b) Comprehensive General Liability Insurance with limits not less than $_,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations, and $2,000,000 General Annual Aggregate Limit (other than Products-Completed Operations). The Comprehensive General Liability Insurance provided shall cover

any property damage or personal injury resulting from any drilling or excavation conducted as part of the Permitted Activities. However, this provision shall not apply to claims relating to investigation or remediation of any environmental conditions on the Property.

(c) Comprehensive Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned and Non-owned and hired auto coverage, as applicable.

(d) Contractor's Pollution Legal Liability Insurance with combined single limit of $2,000,000 each claim, $2,000,000 aggregate, and with coverage to include legal liability arising from the sudden and accidental release of pollutants, and no less than a one-year extended reporting period.

(e) Comprehensive General Liability, Comprehensive Automobile Liability, and Contractor's Pollution Liability Insurance policies shall be endorsed to provide the following:

(1) That the City and County of San Francisco, the Port of San Francisco and their officers, agents, and employees are named as Additional Insureds; and

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds with respect to any claims arising out of this Permit and that insurance applies separately to each insured against whom claim is made or suit is brought.

(f) All policies and certificates shall be endorsed to provide that no cancellation, major change of coverage, or expiration shall become effective or occur until at least 30 days after Permittee, its consultant or contractor, delivers and Port receive's advance written notice as provided in Section 14 of this Permit. Permittee, upon notification of receipt by Port of any such notice, shall forthwith file with Port a certified copy of the required new or renewal policy or certificate for such policy. At the time of making any application for an extension of time, Permittee shall submit evidence that the policies will be in effect during the requested additional period of time.

(g) If at any time during the term of this Permit, Permittee, its consultants contractors or subcontractors, as the case may be, fails to maintain the required insurance in full force and effect, all work under the Permit shall be

discontinued immediately, and shall not resume until notice is received by Port that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to the Port. Failure to maintain the required insurance will be sufficient cause for immediate termination of the Permit notwithstanding the notice required under Section 4 of this Permit.

(h) Approval of insurance by Port shall not relieve or decrease the liability of Permittee, its consultant or contractors or subcontractors, hereunder.

(i) Certificates of insurance, in form and with insurers satisfactory to the City, evidencing all coverages above shall be furnished to the City before commencement of any operations under this Permit, with complete copies of policies to be furnished promptly upon City request.

Section 14. Notice. Any notices required to be given or which any party desires to give under the terms of this Permit shall be given by personal delivery, or by deposit with the United States Postal Service, certified mail, return receipt requested, and postage prepaid, addressed to the party to be served as follows:

To Port: Director, Facilities and Operations
Port of San Francisco
Ferry Building, Suite 3100
San Francisco, CA 94111

To Permittee: _____
_____
_____
_____

The Parties hereto may give notice pursuant to this section of other persons to receive future notices on their behalf. Notices herein shall be deemed given on the date of personal delivery or two (2) business days after the proper deposit of the same with the United States Postal Service.

Section 15. Miscellaneous. This Permit may be amended or modified only by a writing signed by each of the Parties hereto. No waiver by a Party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. This Permit may be executed in one or more counterparts, each of which shall be an original but all of which together shall be deemed to constitute a single

agreement. The paragraph headings of this Permit are for convenience of reference and shall be disregarded in the interpretation of this Permit.

Section 16. Condition of Property/Security. The Permit Area is accepted "as-is". Permittee shall keep its work sites in the Permit Area safe and secure, provided, however, that Permittee shall not be obligated to correct, repair or modify any pre-existing conditions of the Property.

Section 17. Waiver of Claims. Permittee hereby waives on behalf of itself and its heirs, successors, and assigns, any and all rights which it may have to file a claim or bring an action of any kind or character against the City or its officers, agents, or employees, for damage to property or personal injury, including death, which might arise out of the use of the Property under this Permit, except only to the extent of Claims resulting directly from the negligence or willful misconduct of City or Port or either's authorized representative.

Section 18. Entry Under Permittee's Authority. This Permit to Enter granted to Permittee shall include all employees,agents, contractors, subcontractors and consultants of Permittee. Permittee assumes all responsibility for the safety of all persons and property on the Permit Area pursuant to this Permit. All work performed in the Permit Area and all persons entering this Permit Area and all property and equipment placed therein in furtherance of the permission granted herein is presumed to be with the express authorization of Permittee.

Section 19. Attorneys Fees. If the City or Port or Permittee commences an action against any other party to this Permit arising out of or in connection with this Permit, the prevailing party shall be entitled to recover from the losing party reasonable attorney's fees and cost of suit. For purposes of this Permit the reasonable fees of attorneys of the Office of City Attorney shall be based on the fees regularly changed by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

Section 20. Time is of the Essence. Time is of the essence as to each and every provision of this Permit.

Section 21. California Law. This Permit shall be construed and interpreted in accordance with the Laws of the State of California and City's Charter. Venue for purposes of filing any legal action or initiating any legal proceeding arising out of

this Permit shall lie in San Francisco, California, which shall be deemed to be a convenient forum.

Section 22. Authority. If Permittee signs as a corporation or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is qualified to do business in California, that Permittee has full right and authority to execute this Permit and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon Port's request, Permittee shall provide Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

Section 23. Amendments. No amendment of this Permit or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

Section 24. Severability. Except as is otherwise specifically provided for in this Permit, invalidation of any provision of this Permit, or of its application to any person, by judgment or court order, shall not affect any other provision of this Permit or its application to any other person or circumstance, and the remaining portions of this Permit shall continue in full force and effect, unless enforcement of this Permit as invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purposes of this Permit.

Section 25. Wavier The failure of either party to insist on performance of any provision of this Permit shall not be construed as a waiver of that provision in any later instance.

"PERMITTEE"

_____

By:_____

CHINA BASIN BALLPARK COMPANY LLC

By:_____

"PORT"
CITY AND COUNTY OF SAN FRANCISCO
a municipal corporation, by and
through the PORT OF SAN FRANCISCO

By:_____
Douglas F. Wong
Executive Director

Approved As To Form:

LOUISE H. RENNE
City Attorney

By:_____
Deputy City Attorney

SAN FRANCISCO
PORT COMMISSION

JULY 16, 1997
MINUTES OF THE SPECIAL MEETING

TRANSCRIBED VERBATIM THROUGH A CERTIFIED SHORTHAND REPORTER

MEMBERS, PORT COMMISSION

HON. MICHAEL HARDEMAN, PRESIDENT
HON. DENISE McCARTHY, VICE PRESIDENT
HON. FRANKIE G. LEE
HON. JAMES HERMAN

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

DOCUMENTS DEPT.

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SAN FRANCISCO PORT COMMISSION

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Port Commission

MICHAEL HARDEMAN, President
DENISE McCARTHY, Commissioner
FRANKIE G. LEE, Commissioner
JAMES HERMAN, Commissioner

In re:

DEVELOPMENT OF A NEW BALLPARK)
FOR THE SAN FRANCISCO GIANTS)
AT CHINA BASIN)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

July 16, 1997

Ferry Building, Suite 3100
San Francisco, CA

CERTIFIED COPY

Reported by: KAREN R. DICKERSON, CSR 8042 JOB #64551

Combs & Greenley
THE LEADER IN DISCOVERY TECHNOLOGY

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55 South Market Street, Suite 1001 • San Jose, CA 95113-2326
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800.869.9132

July 16, 1997 P R O C E E D I N G S 10:00 a.m.

PRESIDENT HARDEMAN: Madame Secretary, please call the meeting to order.

SECRETARY QUESADA: Roll call.

Commissioner Michael Hardeman?

PRESIDENT HARDEMAN: Here.

SECRETARY QUESADA: Commissioner Denise McCarthy?

COMMISSIONER McCARTHY: Here.

SECRETARY QUESADA: Commissioner Frankie Lee?

COMMISSIONER LEE: Here.

SECRETARY QUESADA: Commissioner James Herman?

COMMISSIONER HERMAN: Here.

PRESIDENT HARDEMAN: There are seats outside with speakers hooked up, so if anybody wanted to sit out and watch the ships go by, feel free to do so.

Madam Secretary.

COMMISSIONER McCARTHY: I make a motion to recess the executive session and to start this regular meeting. And we reserve the right to return to executive session later.

COMMISSIONER LEE: Second.

PRESIDENT HARDEMAN: All in favor, say aye.

COMMISSIONERS: Aye.

PRESIDENT HARDEMAN: Opposed?

Hearing none, so it shall be.

SECRETARY QUESADA: Roll call.

Commissioner Michael Hardeman?

PRESIDENT HARDEMAN: Here.

SECRETARY QUESADA: Commissioner Denise McCarthy?

COMMISSIONER McCARTHY: Here.

SECRETARY QUESADA: Commissioner Frankie Lee?

COMMISSIONER LEE: Here.

SECRETARY QUESADA: Commissioner James Herman?

COMMISSIONER HERMAN: Here.

SECRETARY QUESADA: Item 2A: Approval of transaction documents for the development of a new ballpark for the San Francisco Giants at China Basin, including: CEQA findings, Burton Act findings, lease disposition and development agreement, ground lease, nonrelocation agreement and guaranty, and purchase and sale agreement for a parcel owned by Caltrans and authorization to seek Board of Supervisors' approval of a supplemental appropriation.

Item 2B: Confirmation and approval of amendments to the City's General Plan and to the Rincon Point-South Beach Redevelopment Plan.

PRESIDENT HARDEMAN: Director Wong?

DIRECTOR WONG: Thank you very much.

Ladies and gentlemen, President Hardeman and all the members of the Commission, good morning, ladies and gentlemen.

I am very pleased this morning to present the Port Commission and the public with the Port staff's recommended actions related to the proposed ballpark at China Basin Channel.

Over a year ago, the voters approved Proposition B and the Port began negotiating a lease with the Giants for the China Basin site. Since then, the mayor presented the public with a Term Sheet in December of 1996, and countless hours have been spent by the Port staff and City staff negotiating the hundreds of details that are contained in the transaction documents that you're considering today.

If you approve the proposed transaction, and if the Board of Supervisors subsequently approves the transaction, then the City will have completed its part for the Giants to proceed with their goal of throwing the first pitch on opening day in April 2000.

The approval of the transaction documents before the Commission today requires three primary sets of actions. They are, first, approval of CEQA findings,

including mitigation measures and a mitigation monitoring program based on the EIR that has been certified by the Planning Commission and the Redevelopment Agency.

Secondly, approval of findings under the Burton Act necessary for the approval of the transaction documents as consistent with the public trust.

And thirdly, approval of the principal transaction documents, consisting of the DDA, the lease, the nonrelocation agreement, and the guaranty and the Caltrans parcel purchase agreement, and of a supplemental appropriation ordinance for the purpose of the Caltrans parcel.

Apart from the transaction documents, there are three other items related to this project that are before you this morning. First, an action to confirm the City's General Plan and Redevelopment Plan amendments which the Board adopted on July 7th.

Second, there is an action to vacate portions of Berry and Second Streets necessary to create the ballpark site, which the Board of Supervisors will consider for final adoption next Monday.

And finally, staff will be requesting your authorization to issue an RFP to select an operator to finance, build, and operate a ferry-landing facility

adjacent to the proposed ballpark.

Before these matters are discussed in greater detail, I would like to say a few words about the opportunities for public participation in the process of bringing the ballpark project to the Commission today, and to describe the benefits of this project for the Port.

In January 1995, long before passage of Prop B, the Port's 27-member Waterfront Plan Advisory Board considered the merits of allowing a ballpark to be located on the waterfront at China Basin. The Advisory Board determined that whether the ballpark should be located at China Basin was an issue of great public interest, and therefore, should be decided by the voters of San Francisco. The Port Commission concurred with the Advisory Board's assessment. And in March 1996, the San Francisco voters approved Prop B, which paved the way for the action that you are considering this morning.

Since then, the public has substantively participated in the design and evaluation of the ballpark project. The Rincon Point-South Beach Citizens Advisory Committee, also known as the CAC, has served as the primary advisory group for community input on land use, design and development of the ballpark, and has

played a very, very important role in the process.

For purposes of the ballpark project, the mayor enlarged the membership of the CAC to include representatives of the house owners of China Basin Channel and the residents of South Beach Park and Potrero Hill, allowing even greater citizen representation during the design and review of the ballpark project.

Over the past 15 months, the CAC held approximately 27 meetings to consider the ballpark, and Port staff were available at most of these meetings. These meetings have taken place as recently as yesterday; and with each meeting, we have moved closer to an agreement consistent with the CAC's goals.

As a result of these recent meetings, there are some changes to the documents before you that are not included in the package. Later I will summarize these changes for you.

Rick Mariano and other members of the CAC are to be commended for their dedication and contributions to the project. Because of this, the project is a much better one.

In addition to the CAC meetings, the City has held two public forums where City staff, including the Port, have made presentations and responded to questions

regarding the project.

As I mentioned, the basic elements of the transaction have been available to the public under the Term Sheet, which was signed in December 1996, and presented to this Commission at a public hearing nearly seven months ago. Comprehensive drafts of the main Port transaction documents have been available to the public for over three weeks.

Proposed mitigation measures and a mitigation monitoring program to address the impacts of the project have been available for the same period. The mitigation measures stem from the draft EIR, which was released for public review and comment in March of 1997. On June 23rd, City staff also made available summaries of the transaction documents and the approval schedule, as well as summaries of proposed mitigation and improvement measures.

Many ideas and concerns have been raised by the neighboring residents, business owners, tenants of the adjoining marina, and other community members. These ideas have been instrumental in shaping the project design, the environmental mitigation measures and, more recently, a set of improvement measures for the project that will become provisions of the Lease Disposition and Development Agreement or the DDA or the

ground lease. These measures are located at Attachment A to the CEQA Resolution in your materials.

The improvement measures in the DDA relate to construction matters, such as noise, dirt, protection of the marina tenants from construction impacts, parking, and similar measures. The improvement measures in the lease relate to the operational issues, such as lighting, parking, concerts, litter, and truck operations.

The Port lease and DDA can only include measures that are the responsibility of the China Basin Ballpark Corporation, or CBBC, which is the entity established by the Giants for the construction of the ballpark. Further measures that require a commitment of City resources may be considered when the Board of Supervisors holds its public hearing on the lease and DDA.

Finally, the public has had numerous opportunities to participate in hearings before the Planning Commission, the Redevelopment Agency, and the Board of Supervisors, which addressed land-use issues associated with the project, including certification of the EIR by both commissions, approval of the General Plan and Redevelopment Plan amendments and approval of the Conditional Use Permit by the City's Planning

Commission.

The public process continues today with this hearing before you; and should you approve the proposed actions, the upcoming hearing at the Board of Supervisors. Accordingly, while some members of the public have expressed concerns about the pace of the process, I am confident that the public has had an opportunity to participate in a meaningful and positive manner and have helped shape the project before you today.

For over a year, the Port has been negotiating the terms of the various transactions that are required to assemble, develop, and lease this site for the ballpark. The lease for the ballpark is a sound business transaction for the Port that provides a fair market value return to the Port's land. The transaction stands on its own merits.

I sincerely believe that this project is good for both the Port and the City. Before I provide you with an overview of the transaction documents before you, I would like to highlight some of the public benefits of this lease and the overall project.

Perhaps most importantly to the Port, development of a ballpark at China Basin will achieve one of the paramount objectives of the public trust, and

indeed, of the Waterfront Land Use Plan, which you approved in June, by improving and enhancing the public's enjoyment of and access to San Francisco Bay and public trust properties along our waterfront.

The ballpark would attract people of all ages to the waterfront. Many of these people will travel by foot, bicycle, public transit, car, and I might even add, will be pleasantly surprised at the new public art, landscaping, public-access improvements that they will see along The Embarcadero Promenade, also known as Herb Caen Way.

The project will extend the PortWalk called for in the Waterfront Plan along China Basin Channel, which is currently inaccessible to the public, and will include both ground-level and second-story-level public access areas that will provide an exceptional opportunity to the public to have scenic overviews of the Channel, the Bay, the Bay Bridge, the marina, and views back toward the City and the Ferry Building.

Many of the ballpark patrons will walk or take the new transit service along The Embarcadero, which will provide even greater access to the exciting new mixed-use projects and public-access amenities that the Waterfront Plan calls for south of the Ferry Building.

The ballpark project we are presenting to you this morning is consistent with the development standards specified for this site in the South Beach-China Basin waterfront section of the Waterfront Plan. It includes site design, public access improvements, and architectural treatments which are oriented towards the Bay; and have a comprehensive management plan that includes measures to encourage both the use of public transit by ballpark patrons and employees; opportunities for the efficient use of existing ballpark resources; and provides a compensation package acceptable to the Port.

Furthermore, consistent with the Waterfront Plan, we intend to create opportunities to encourage people to use new public access improvements to enhance their enjoyment of the San Francisco Bay, and introduce them to or renew their connection to this part of the waterfront.

We also intend to promote opportunities along the waterfront to capture commercial recreational benefits from public visits to the ballpark. I believe these opportunities will significantly increase Port revenues.

In short, I strongly believe that the ballpark will provide a level of activity and exposure

that the Port can and will leverage to implement other projects envisioned in the Waterfront Plan.

In addition, the Port stands to receive substantial additional revenues directly from parking leases of Port property located south of the China Basin Channel associated with the ballpark. We expect to present you with a proposed parking lease for the ten acres adjacent to the channel in the near future.

The configuration of the transaction, which is described in greater detail in the materials we have submitted to you, can be summarized as follows: If both the Port Commission and the Board of Supervisors approves the transaction documents, then the Port and the China Basin Ballpark Company will enter into the DDA. The DDA sets forth the terms and conditions for the parties to enter into the ground lease and includes the approved form of the ground lease as an attachment. The DDA provides the road map to the transactions you are asked to consider this morning.

Next, the Port will enter into a purchase and sales agreement with Caltrans for the Caltrans parcel, consistent with the terms of the signed Caltrans Term Sheet.

In addition, the team owners will execute and deliver the nonrelocation agreement, guaranty, and

related documents, containing agreements by the team to play at the new ballpark at least through December, the year 2022. The Redevelopment Agency and CBBC will then enter into the OPA, which will set forth the terms and conditions for the use of tax increment financing.

When the conditions to closing under the DDA are satisfied, the City and the CBBC will enter into the ground lease. The target date for the closing of the ground lease is October 20th, 1997. CBBC will then be obligated to construct the ballpark.

CBBC will enter into a number of sublease agreements and subcontract agreements for use of the ballpark. The most significant of these agreements is a baseball sublease with the baseball team owner for the playing of baseball games at the new baseball stadium once it is complete. The baseball sublease, as approved by the Port, must be in place before the ground lease closes.

Comprehensive drafts of the agreements are before you. The fundamental elements of the transaction documents are as follows:

The lease of the China Basin site will be to a corporation named the China Basin Ballpark Company LLC. CBBC is controlled by the owners of the San Francisco Giants and was established for the purpose

of developing and operating the new ballpark.

CBBC will contribute substantial equity to the project, and the ground lease will not close unless the private lenders are satisfied that CBBC can successfully build the ballpark and meet its financial obligations to the Port under the ground lease.

CBBC will build the ballpark at its cost, except for the contribution from the tax increment financing, which is based on new tax revenues from the project. Once the lease is conveyed by the Port, CBBC assumes the risks associated with development of the site. The total cost of the ballpark development is estimated to be around $265 million. CBBC, and not the Port or the City, will be responsible for any cost overruns.

CBBC intends to enter into a unique agreement with a substantial construction company to guarantee that construction of the ballpark can be built at a cost consistent with the budget approved by the ballpark lenders before any construction loan is to be disbursed.

The Port will not deliver possession of the site under the lease to CBBC until the Port receives suitable evidence that the financing is in place and the ballpark lenders have approved the arrangements assuring completion of construction within the budget.

Under the DDA, the Port Commission has the right to approve design of the ballpark, which was recently approved by the Planning Commission under the conditional use permit. The Port also retains building permit authority over the project.

If CBBC builds the ballpark, it is obligated to construct public access improvements where none presently exist. The most important of these improvements is the creation of a PortWalk along China Basin Channel that will connect South Beach Harbor and Third Street. Ballpark seating and public access improvements will be oriented to views of the water.

Port staff and CBBC are also committed to making ferry service a reality for the new ballpark, and Port staff is asking you today to approve issuance of an RFP for a ferry operator. Half a million dollars in tax increments will be available if needed to help finance construction of these facilities.

The Port will not be obligated to convey the lease of the site to CBBC unless and until a number of conditions are satisfied. Most important among these conditions are evidence of adequate private financing to build the ballpark, as previously mentioned, and procurement of all regulatory agency approvals for development, including a site permit from the Port and

BCDC approval. State Lands' approval of the transaction is also required to satisfy the requirements of CBBC and its lenders.

The Port will be responsible for delivering the site free of occupancy by the Port and its tenants.

The Port will also be responsible for purchasing the Caltrans parcel at fair market value through a negotiated agreement with the State. Consistent with the Term Sheet, the Port's responsibility for purchasing the Caltrans site and relocating the private tenants from the property is limited to a total of $4.1 million, which consists of the $3.6 million purchase price and $500,000 set aside for tenant relocations. If the total costs exceed that $500,000 the Port has set aside -- CBBC, and not the Port, will pay the additional sums.

The other principal obligations of the Port under the DDA are to complete certain quiet title actions called the "McEnerny actions" and vacate the streets within the site.

The conveyance of the lease is scheduled to occur in October of 1997. Under the DDA, if the conditions required for closing are not satisfied by October 31st, 1997, then CBBC, at its option, can extend the term for the close of escrow by paying an extension

fee to the Port, subject to certain exceptions relating to the inability of the Port to deliver the site in the required condition.

The extension fee is equal to the rent that would otherwise have been payable for the portion of the site owned by the Port. If the DDA terminates and the lease does not close, then CBBC is obligated to pay a termination fee, again subject to certain exceptions.

The lease is for an initial term beginning on delivery of the site to CBBC and ending on December 31st, 2022. The anticipated schedule for the proposed ballpark project contemplates completion of the ballpark in time for opening day in April 2000. If that schedule is met, the initial term would correspond to 23 seasons of major league baseball at the new stadium.

The terms of the lease could potentially continue for a total of 66 years from site delivery, consistent with the limitations on tidelands trust property under the Burton Act.

CBBC agrees to demolish the improvements, at the Port's option, and return the site to the Port in developable condition at the end of the lease term if CBBC does not renew the lease term at least for another ten years after the end of the initial term. If CBBC extends the term beyond 2032, then it would not be

obligated to demolish the improvements.

CBBC will pay fair market compensation to the Port for the site in the form of minimum rent. As described in the term sheet, full rent of $1.2 million per year begins upon delivery of the site to CBBC. The rent is supported by an appraisal. The lease provides for certain adjustments to rent during the term, as generally described in the Term Sheet and as modified by the refinements that are included in the materials delivered to the Port Commission.

Rent during the initial term is subject to certain limited rent credits for almost half of sums already paid by CBBC to the Port for certain of the Port's transaction costs. There is also a credit against the portion of rent attributable to any CPI adjustments for any extension fees that CBBC pays under the DDA.

CBBC takes the risk that the CPI adjustments will be insufficient to amortize any such credits over the initial term. The lease also provides for a reimbursement by the City for any stadium admission taxes on baseball games during the initial term in excess of 25 cents per ticket, which is basically the net amount the Giants pay the City today. But any required reimbursement must not come out of Port

revenues or be taken as a form of rent credit.

The lease is an absolute net basis, with CBBC responsible for all costs on the ballpark site. The City remains responsible for certain services outside of the ballpark, such as MUNI service, police security services, and parking and control officers for baseball games, like those provided at Candlestick Park today.

CBBC is responsible for paying the incremental costs of the designated City services for concerts and other events over 5,000 people, and for clearing litter from South Beach Park and the marina, adjoining sidewalks, and for skimming the Channel for all games and other events at the ballpark.

Concerts and other events will require a permit from the Port. Comments or concerns regarding such events may be provided directly to the Port Commission at any of its regularly scheduled meetings.

Available property tax increments generated by the ballpark project on the site will be captured for a period corresponding roughly to the initial term of the lease and used to finance infrastructure needed to support the development. That infrastructure includes construction of the Waterfront Promenade and other public-access improvements and the costs of certain improvements needed to mitigate certain impacts of the

ballpark on the surrounding neighborhoods.

As previously noted, $500,000 is available for construction of the ferry facilities. The net proceeds from the property tax increment financing will not exceed the greater of $15 million or the total available increment actually produced from the site.

The commitment from property tax increment financing is a condition to the disbursement of the construction loan from the ballpark lenders. Available tax increments for these purposes constitutes about half of the taxes paid. The other half goes to other public entities, such as the school districts and BART, and to pay for the Agency's administrative costs and certain required debt coverage.

CBBC will perform any remediation of hazardous materials at the site required by regulatory agencies for the development and operation of the ballpark. CBBC is also responsible for demolition, pier substructure, and other site preparation costs needed to convert the site into developable condition, and for all maintenance and repair of those structures.

A portion of the tax increments will be used for the remediation necessary for the public improvements, as described in the OPA. CBBC will provide a comprehensive indemnity for the benefit of the

Port regarding hazardous materials.

As previously mentioned, CBBC will be obligated to satisfy a number of mitigation and improvement measures related to the construction and operation of the ballpark. These measures are intended to mitigate impacts of the project and addresses measures to make this project a good neighbor to the surrounding uses.

The mitigation measures from the Waterfront Land Use Plan Final EIR have been incorporated, as appropriate, into the mitigation measures and improvement measures for the ballpark project.

The project will provide construction and permanent job opportunities for San Franciscans. CBBC will agree to implement a diversity program during both construction and operation of the ballpark, including a welfare-to-work and youth-employment training program. CBBC will also agree to pay prevailing wages for construction jobs.

Because the lease is between the Port and CBBC, and not directly with the team owner, which holds the Giants franchise, the transaction provides for a separate nonrelocation agreement and related agreements between the City and the Team.

Under the nonrelocation agreement with the

City, the team owners agree to play all of the Giants' home games at the new ballpark for 23 seasons after the ballpark opens, assuming an opening of April 2000. The end of the term of the nonrelocation agreement corresponds with the end of the initial term of the lease.

The term of the nonrelocation agreement compares favorably with the minimum term of leases at other new ballparks, such as Coors Field, even though those ballparks were financed almost entirely with public dollars.

As mentioned in the staff report, there are a few open issues that have been the subject of ongoing discussions. I have for you a summary of changes to the transaction documents that reflect resolution of those issues, as well as certain other matters.

At this point, I'm just going to basically highlight those for you.

First of all, union labor issues. Specifically, MBE/WBE subcontracting goals. HRC and the Port staff, in our meetings as late as yesterday, and CBBC, have agreed to subcontracting participation goals of 20 percent for MBE and 10 percent for WBE.

General liability insurance. CBBC has agreed to provide $25,000 in liability insurance in accordance

with recommendations from Port staff and the City's risk manager.

CBBC has agreed to remove the provisions in the draft lease that would have allowed CBBC to close the PortWalk at night during specific hours.

I would also like to point out that the materials that I have given to you this morning include some additional limitations on the permitted uses under the lease that have resulted from recent discussions with Port staff, CBBC, and State Lands.

Finally, we would like to propose some changes to the improvement measures to address comments raised by the CAC and members of the public. These measures are described in some detail in the materials that I have provided to you, and include measures to address lighting, concerts, and other events; fireworks and neighborhood issues.

The Sign Guidelines have been revised to incorporate restrictions on general advertising on the exterior of the ballpark adopted by the Planning Commission under the Conditional Use Permit.

At the end of the public comment period, Port staff and our City Attorneys will be available to answer any questions that you or the Commission may have this morning regarding these transactions.

Thank you very much.

PRESIDENT HARDEMAN: Thank you, Director Wong. And thank you, the public, for listening to a lengthy description that was needed and necessary on this item.

I would like to now call for a motion on Item 2A, No. 1, the CEQA findings, and postpone action on No. 2 through 6.

Commissioners, do we have a motion?

COMMISSIONER LEE: So moved.

COMMISSIONER HERMAN: Second.

PRESIDENT HARDEMAN: Any discussion?

We'll hold off on the action on this item until the inclusion of public comment and further discussion.

We have from -- we have public comment now. We would like to call on the mayor's liaison for this item and former chief administrative officer of the City and County of San Francisco, Mr. Rudy Nothenberg.

MR. NOTHENBERG: Thank you, Mr. President, and Commissioners.

I've been called a lot of things, and so today I'm delighted to be called a liaison. I have not been a liaison before, but it's a wonderful experience.

Mr. President, your Director has made a very

good and comprehensive statement. I have little really to add to it. I do, however, want to acknowledge, on behalf of the Mayor's office, the very hard and productive work of the Port staff and the City Attorney's staff. They have been tireless and, I know in some events, sleepless in getting this complex transaction before you. They deserve a good deal of credit for where we are today.

I also want to join your Director in expressing our gratitude to the CAC and to Mr. Mariano, whose efforts have made this thing much less difficult than it otherwise would have been.

Mr. President and Commissioners, from the very start, the Mayor's office has worked very closely with your Port directors, first Mr. Bouey, and now Mr. Wong, and the Port staff. And we had several goals in doing so.

The first of these goals was to make real the voters' intention when they overwhelmingly approved the ballpark. Secondly, it is our intention and our commitment to meet the Giants' schedule for an opening day in April of 2000.

Thirdly, and as importantly as any of the other goals, is to assure -- to assure that the Giants would play baseball in San Francisco through the

foreseeable future. We're not going to go through all of this and have to go through it again in a year or two.

We wanted to make sure that for the foreseeable future we would have the Giants playing baseball in San Francisco.

Fourthly, we wanted to make a business deal which would be advantageous to the Port and to the City as a whole; carefully, however, without imposing conditions which would make the project economically impossible for the Giants. So we needed to fashion a deal, Commissioners, which would meet the approval of this Commission, because it's good for the Port; the approval of the Board of Supervisors, because it's good for the City; and still allow the Giants to go ahead and raise the immense amount of money needed to make this construction a reality.

Finally, we wanted to ensure that the ballpark would be an asset; perhaps I should say another asset, for the rapidly developing Rincon Point-South Beach, Mission Bay neighborhoods, of which you're more than familiar. And we believe, Commissioners, that the deal your directors have before you meets these five goals which we had established at the outset of these negotiations.

We recognize that the City, through a variety of City agencies, not just the Port, will have to step up to its responsibilities to make sure that the ballpark is, as Doug said, a good neighbor to the people who now live and work in the area, and I might add, to the many thousands who will do so in the future as Mission Bay, Rincon Point-South Beach and UCSF build out, as they will over the next 20 years, during the life of this agreement, should you pass it.

A good neighbor, as well, to the tremendous amount of private investment that's coming into the area, and I might say, the amount of public investment being put in through the Redevelopment Agency, through the Port, through the Waterfront Transportation Plan, through the MUNI, as we take light rail down Third Street.

So there is an immense amount of investment in the general area stretching now from where we're sitting, down through Mission Bay to 16th. And that investment needs to be honored with the kind of neighborhood which will continue to make it viable.

We will, the City will step up to those responsibilities. The record, Commissioners, we made at the Board already reflects a commitment from the Mayor's budget office to secure the capital funds that are

required for the mitigations that are imposed.

Beyond that, the City is prepared to undertake the capital needs for such things as street lighting, sidewalk improvements on city streets, litter receptacles, improved traffic signage and controls, improved and additional parking meters, which would be appropriate for the City to undertake to service this investment I've talked about, whether that investment is a ballpark or some other type of economic activity. Those are obligations which we owe the neighborhood, and they will, in my opinion, be fulfilled.

Now, with regard, Commissions, to the incremental operating costs for City departments which will incur, as a result of the ballpark directly, our analyses indicates that the combination of the general fund savings from Candlestick, when the Giants no longer played there, and the new revenue generated by the Giants at the new Pac Bell Stadium, will be adequate -- more than adequate, we believe, to cover the incremental costs for such departments as Department of Parking and Traffic, the MUNI, DPW for litter control, and the security efforts that we will be transferring from Candlestick to here.

We believe that these items the city must provide, just as it would provide them to any economic

activity that grew in this neighborhood that pays fair share, that is paying a fair market rental value for what it occupies, and is paying every other tax that every other economic activity pays for in this City. They're entitled to the same provisions of the neighborhood as anybody else.

And we're doing that, I might say, not because we're forced into it, but because it is in our collective interest; it is in the Port Commission's interest; it is in the City's interest to make this work. We want this project and the other projects to succeed. We don't want them to be calumnious on opening day. We don't want them to be contentious. We want them to work. And I think what we've done on the waterfront so far indicate that is we can make it work, and we will continue, I believe, to act in that spirit.

Mr. President and Commissioners, we believe that the documents you have before you merit your approval, not because it's politically wise or politically correct to do so, but because it's a good deal. And we suggest that they deserve your merit and enthusiastic support.

I think it is true, however, that there's an issue between the Giants and one of San Francisco's important labor organizations, which has not yet been

resolved. You're familiar with that issue. It's been our consistent position, Commissions, that this should be worked out to the satisfaction of San Francisco's labor movement, as a whole, by the parties involved. It's our strong preference that whatever is worked out between the parties is embodied in an agreement between the two of them, as any other labor management agreement should be worked out; not as part of the lease.

We are told that further negotiations between the two parties would be useful. And we would certainly understand and sympathize with your Commission's intentions, Mr. President and Commissioners, to know how this is going to work out before you take final action on the lease. If there is an opportunity for further discourse to work this out between them, I wish them all the luck in the world, and I think they should go on to have a discourse. And it is appropriate for you to defer your final action until you know how that comes out.

Plus we would suggest, Commissioners, that you hear all the public testimony today; that you convince yourself, if you can, that the transaction before you is a good deal for the City and for you; that you close the public hearing and defer action only on the lease documents until next Tuesday, in the

anticipation that the union issue will then have been satisfactorily resolved between the parties.

We would suggest, Mr. President, however, that the other actions before you: the CEQA findings, Item 2A1; the confirmation of the Redevelopment Plan, Item 2B, and the general plan amendments; the approval of the street vacations, Item 3A; and authorizing your staff to seek an operator for the ferry, Item 4A, can be taken today.

I'm informed that the parties in contention are willing to allow that to occur. That will move a bunch of stuff out of here; leave the lease documents with you and you defer it, but allow the other stuff to move on.

So the CEQA findings you have to undertake in any event, because you can't do anything without CEQA findings. The confirmation of the Redevelopment and General Plan amendments, the approval of street vacations, the RFP for the ferry; I believe that if you're otherwise convinced that you ought to proceed, you can take those actions in good faith, and defer actions on the remainder of the documents until Tuesday, on the assumption that that is the will of the Commission.

I think we've got a good deal, Commissioners.

I think we need a give a little time to the unions and the Giants to work out the remaining issue. And then we ask you to approve this deal as your staff has presented it to you.

Thank you, Mr. President and Commissioners.

PRESIDENT HARDEMAN: Thank you, Mr. Nothenberg, and thank you for all the efforts we know you've put into this major, major issue.

We have comments now from the vice president of the San Francisco Giants, liaison from the Giants, Mr. Larry Bar.

MR. BAR: Last night I wish I was the liaison to our batters. That would have been a good role.

Thank you very much, Mr. President and Commissioners.

I'm Larry Bar. I'm the Executive Vice President and Chief Operating Officer of the Giants.

I'd like to join Rudy Nothenberg in expressing our appreciation to the Port Director and the Port staff, and the Port Commissioners for all their hard work putting together a very comprehensive report and a very comprehensive and long and complex set of negotiations as we've been working towards this lease document.

I'd also like to, on behalf of the Giants,

acknowledge the Mayor's office and all the leadership and support from Mayor Brown and Rudy Nothenberg and all the people in the Mayor's office that have been so vitally involved in moving this project forward.

As you know, it's been a long road for -- to get to this day. Believe it or not, 30 years ago the concept of a new ballpark in San Francisco, in town, was first discussed; way back in the mid-1960s.

Under previous ownership, four elections, as you know, were held -- two in San Francisco and two in the South Bay -- on the subject of an in-part, publicly financed new ballpark for the Giants; all of them defeated.

The team almost left in 1976 the franchise came very close to moving to Toronto. In 1992 the franchise came very close to moving to Florida; in fact, there was a purchase agreement signed to relocate the team to Tampa, Florida.

Our ownership group came aboard in 1993, pledged to the National League; as a condition of approval, being able to keep the Giants in San Francisco, that we would do everything possible to build a new ballpark in the San Francisco Bay Area.

We did come forward in March of 1996 with a measure that was really unprecedented for major league

baseball. There are 30 cities in America that have major baseball teams -- now 30, with Phoenix and Tampa entering in 1998. None of them have major league baseball teams with a privately constructed ballpark.

The San Francisco Giants put a measure before the voters in March of 1996, a measure to build the ballpark -- the San Francisco Giants would build the ballpark privately. As you know, the measure was approved by a margin of 67 percent. We're proud of the fact that the voters see the vision of the new ballpark. We're proud of the fact that the City leadership, and no elected official, opposed the ballpark.

We're proud of the fact that we were able to, through efforts with corporate sponsors and with our own fans, to raise the money to build a ballpark privately. As I said, it's something that has not been done in major league baseball in this generation.

As we've been working very diligently with the City officials, we've produced a lease document that Port Director Wong described to you, that has a lot of features. Two key features, we think, are the fact that, number one, San Francisco Giants agree to pay fair market value for the land; and number two, we are agreeing to a 66-year lease, with an initial term of 23 years, which binds the San Francisco Giants Baseball

Club to San Francisco for those 23 years. We're proud of that.

The ownership group that came forward in 1993, our group, bought the team in '93 to keep the Giants here forever; to keep the Giants as an important asset, an important economic engine for the City and County of San Francisco. And we're proud of the fact that we have a lease before you that is a 23-year commitment to stay in San Francisco.

There are a lot of other features to the lease document, and just a couple that I'd like to highlight. There are actually a lot of other features to the negotiations and our actions right now in the community that relate to the lease document. One is the fact that there will be a significant number of jobs as part of this process, part of the San Francisco Giants building the ballpark in China Basin: 3,600 construction jobs; 1,800 to 2,000 workers will be employed in some fashion at Pacific Bell Park beginning in the year 2000. We're very proud of that.

From Day One, we've made a commitment to be a good neighbor. And we've discussed at length with representatives of the community, led by the Citizen's Action Committee, what that means to be a good neighbor. We've talked about working -- we've worked with them on

developing a transportation management plan, addressing issues of noise, litter, lighting, cleanup. All of those issues are part of being a good neighbor.

And we are absolutely committed, as we move into a neighborhood, if you should approve this lease, to fulfilling those commitments of being a good neighbor.

We're also committed to a diversity program. And we've been working very hard with the HRC on a very aggressive and comprehensive commitment to diversity in this project.

So I think, in sum, the Giants are very proud to be citizens of San Francisco, the San Francisco community. And as we move forward to the day, the year 2000, should you approve our lease and should we be able to get under construction later this year, which we feel we will be able to with your approvals, we're proud that we feel that a new asset will be in San Francisco on the waterfront, responsibly built, privately constructed, and something all of us can be very, very proud of for years to come, for generations to come.

Thank you very much.

PRESIDENT HARDEMAN: Thank you, Mr. Bar. You and Mr. Nothenberg, I know, have put in many hours dealing with all the various interests in San Francisco.

I congratulate you that we have gotten so far.

I would like to make one comment here that all matters on the calendar are open for public comment. Unfortunately, I didn't see anybody leave the room, so if anybody interpreted that we are not hearing all the matters for public comment, that is not true. If you would like to say something, you just fill out a speaker's card with the secretary, and we will call your name.

PRESIDENT HARDEMAN: Counsel, Ms. Van Nostern, are we prepared to proceed with public comment?

MS. McCARTHY: I believe Mr. Mariano should be afforded the opportunity.

PRESIDENT HARDEMAN: So this follow-up information is not necessary at this time.

As you can see, this is a very complicated matter at this time because of recent developments. We do have someone that the Commission has determined needs more time, just as Mr. Nothenberg and Mr. Bar did, because he's representing the neighborhood that immediately surrounds the new ballpark.

He's the chairman of the Rincon Point-South Beach Citizens Advisory Committee, and has been representing others that might not even be part of that, I'm sure, just because of the nature of the name of it.

His name is Rick Mariano.

Mr. Mariano.

MR. MARIANO: Thank you very much.

I am Rick Mariano from the Rincon Point-South Beach Citizens Advisory Committee. I would like to thank your Executive Director and Mr. Nothenberg for the kind words and the efforts that our CAC has devoted to this project.

We have held now 30-odd meetings with the Giants, and ourselves held two public forums down in the neighborhood inviting anyone and everyone who had opinions, concerns, whatever about the ballpark, to come forth to make sure that our CAC recommendations were reflecting consensus in the neighborhood.

I would like to point out, too, that in the Proposition B election of, whenever it was, a year and a half ago or something, that our CAC also was a supporter of the ballpark project. We voted by resolution, prior to the election, 20 to 1 not to oppose the ballpark. I will tell you that I very much believe that that vote really was reflective, I think, of the altruism on behalf of our CAC. I think that if you had asked everyone in our CAC what you would like to see on Pier 46B, you wouldn't have had a lot of votes that said "What about a ballpark." I think there would have been

a lot of things that could have happened that would have been less difficult to assimilate into the neighborhood.

We did, however, I think, acknowledge what we deem to be the political will, and further, the sort of general benefit that would accrue to the whole of the City and to the Bay Area as a region, really, in voting not to oppose this ballpark, and saying that we would work with the Giants and the City and whomever else, to do our best to integrate the ballpark into this neighborhood.

In that effort, then, we have met time and time and time again with the Giants, who have been very cooperative and very giving of their time in trying to see how you can fold this very big, million-square-foot thing, with three or four million people a year scheduled to come there, into a very vibrant neighborhood of which we're very proud.

Our CAC has been in existence for some 18 years or something, and has helped to develop what I think is a neighborhood that all of San Francisco is proud of.

In recent days, we had many meetings with the Giants and their counsel and Mr. Nothenberg, Mr. Prowler, and others, and I do want to acknowledge lots of agreements that have been reached reflective of

CAC concerns. They include such things as the Giants agreeing -- I think these are all reflected actually in your lease documents -- to consider starting afternoon games at noon instead of 12:35. It turned out to be a much better time for less conflict with commuter traffic afterwards.

They agreed to our position about lighting and to continue to work to reduce glare and spill light -- all these terms that I'm learning as we go forward here -- into the neighborhood.

They agreed to expand the range of issues that their community liaison officer would continue to work with, as with the neighbors, so for lots of issues: noise and light and litter and graffiti and security, particularly for South Beach Harbor, general behavior issue of fans and people who attend whatever other events are held there.

The Giants have also agreed, as was stated by Mr. Wong, to litter control for their own property and for the China Basin Channel, and also to accept the responsibility for litter control at the parking lots, which they will lease some from the Port and some from Catellus. So let's say that -- the letter that's been given to us, since it's not part really of your document at this point, states that they would only be

responsible for parking lot litter control for Port-leased property. Of course they're going to lease parking lots from others, and Mr. O'Brien has assured me that he would amend that and provide me with a later letter to say that whatever parking lots they lease, that they will be responsible for that litter control.

The Giants have also agreed to cooperate on an equitable basis in the formation of a maintenance control district that would go beyond just their maintenance assessment district, I guess; that would go beyond just their particular site. That maintenance district is something that the City even has now, as to the Yerba Buena Central Park. That exists in Denver. That exists in San Jose. That exists in most places where they have these kinds of things. And that will be something that we will be working to set up that will have inevitable impacts on a much broader range on the neighborhood than is even comprised when you just look at the Redevelopment Agency boundaries which stop at Second Street, for example.

And we are going to work towards establishing a wider one that will go to Third or Fourth Street, or something, that would have some funding source or another to maintain the livability and the cleanliness and the beautification around that. The Giants have

said they will join with the rest of the property owners and stand shoulder to shoulder, and be a participant in that.

They've also agreed to establish, given the space, for a traffic control center, which is going to be a very critical item, I think, as to taming -- what we all know, no matter how well we design this plan, is going to be very, very significant -- traffic impacts in the neighborhood. It can't be avoided; all it can be is tamed as best it can. So again, in Denver and other places we've found, if you can have a central control place and control the traffic lights, and that sort of stuff, and the Giants have said that they would provide the space for that.

They have agreed to abandon general advertising from the exterior of the ballpark, and have agreed to expanding criteria, actually, as to the scheduling of nonbaseball events. So there has been, I think, very significant, on behalf of the Giants, a recognition of their role as a good neighbor in the neighborhood.

All of that being said, there are a couple of things that we're not square on yet, and it's my obligation to point them out to you.

One is a very minor one that I don't really

think is in dispute, which is adding to the CEQA findings, adding a one-sentence addition about requiring that the final transportation management plan, including a consideration of blocking Townsend Street and making it a no-ballpark-traffic street.

I think that has been circulated a little bit and signed off as at least okay by the Giants. The City still has to rule on that. But again, I'll point out that it says that they will consider that. We know the traffic management plan is going to be, as is many of these things, is going to take months to finally resolve. So I'm asking them to throw that into the mix as another thing to consider.

The other -- which leaves me with two big issues. One of them is a matter of sewers. There is a tremendous problem in the neighborhood at this point as to sewers backing up. It particularly affects the Delancy Street Project; it affects South Beach Marina Apartments, and a couple of other projects down there.

The existing system will not handle the construction that's going on there. I guess that's not surprising to anybody. It was originally built as an industrial sort of neighborhood; however, nobody knew there would be thousands of apartments and condominiums around there, and it doesn't work.

We have asked that there be a finding made here. And it worked out, I believe -- some language that may be very fresh to you. It has to be actually; it was worked out about five minutes before you called -- before the meeting was called to order here today.

But I believe, Harry, it's been circulated and is okay with folks? It's okay with the Giants, and I believe okay with the City, that language, which does say that the sewer system, however it's designed, will not exacerbate the problems that now exist.

I will acknowledge also that the City has been very attentive to this problem since we pointed it out, particularly about six months ago, and had people walking the sewers, and cameras in the sewers, and all of that sort of stuff.

To go on, this is a big issue. Delancy has replaced some flooring in their facility five different times. They have had sewer backups that go up to the third floor of their project and blow drain covers off. It's very expensive. It's unhygienic. It's a very difficult problem.

And I do think this may actually, for all I know, end up being a real benefit of having the ballpark down there, because it got attention devoted to this

issue, and I think there will be some resolution. But it cannot be that the Giants design their sewer system in any way to make an already bad situation worse. And I'll tell you finally that we've not reached full agreement on that.

At the risk of being overly dramatic -- and I'll only speak two or three more minutes. I'm going to have Michael Kaplain show you a couple of pictures. This is one that's been said before. That is 40,000. It's not the whole of the "Bay to Breakers" event that this is a picture of, because that would be 75,000 people. This is, according to Dennis Martel, the police captain in the District No. 1, who -- for some reason I guess the police develop some way to count the people from the picture. He said that that many blocks of Howard Street is what that is, is 40,000 people.

There is not a neighborhood in San Francisco that can have that many people show up 82 times a year, and some unspecified other number of events, without having tremendous impact. You know, when I look at that, I say to myself, that's a lot of fuss. We have never tried here to be obstructionists in any way when working through any of the mitigation measures that we have succeeded in getting in the documents, but that's a lot of people.

And if I may, also Michael, just put up the next one, please.

For those of you who don't spend a lot of time down in South Beach, this picture just shows the residential units that are now in the immediate vicinity of the ballpark, which are 2,400 or so, and then there's another number of projects, one of which even broke ground in the last couple of weeks, which is not reflected there, which is kind of right across the street from the ballpark, which will add another 230-odd units to this. So what you've got is, between all of those things or between proposed and immediately built there, about 5,000 units.

There's a lot of people living in that neighborhood. Sometimes you see those big, vacant lots down there, and you think that's how it's going to stay. It is not. This is going to continue to be a very active neighborhood for lots of people, and lots of traffic already.

I think we all know now that we all have our stories. It used to be the stories you told about traffic is you were stuck on Montgomery Street and Pine to get across Market. Now we have the stories about getting stuck on Second and Brannon, and it is longer than 30 minutes. It's probably happened to most people

who drive around town.

Now, the big issue left for us is things that are nonbaseball, so they are nonbaseball events. The Giants had proposed, as recently as Friday, I guess, that there be 20 nonbaseball events allowed that could fill up the park, so up to 45,000 people. It's the same impact then as a sellout baseball game that could go on, that they would like to be allowed to put on at the ballpark.

We'll tell you of course, when the Proposition went forward, although there was certainly some latitude granted to the Giants in the use of the ballpark, this thing was basically pitched as a baseball field. And 20 extra events with that many people, and the kind of cars and traffic that that will generate, is too many. It's just too many. The Giants have now, after some negotiation and some arm-twisting, or whatever, have now -- and I will acknowledge this -- have now reduced their request for a total amount of events that could fill up the park, events down to 14. I consider that progress, and I acknowledge that.

COMMISSIONER HERMAN: How many?

MR. MARIANO: Fourteen is what they're now committed to; that there be no more than 14. We'll tell you that excludes the number of items under 15,000

people, which we have basically agreed not to oppose, which would be amphitheater, smaller settings in there. And basically we've said they can have an unlimited number of those. They could put those on everyday, and we thought that the neighborhood and the parking can absorb that. I don't even want to say that we think it really can, but we certainly did say that we wouldn't oppose that.

It's a revenue source for them. We do acknowledge the great contribution they have made, $250 million for this park. They're not the Rockies. Nobody is handing this to them. So we do know they need to make some money on this, so we have tried to take that into consideration.

I would also ask that among those 20, the position on Friday anyway, was that there would be five of those events which could be basically unlimited sound, rock-and-roll, big noise. That is a real problem.

As we all know, having ever been to any of those concerts, there's a reason that most of those events are set -- you know, Bill Graham has a place way out in Concord where you don't see a house for the last five miles. It's there for a reason, because they're loud and difficult to live next to.

Kezar Stadium allows no such thing. I mean that adjacency is very, very, very difficult for any neighbor. People are building lots of units here.

And even if it's not beyond the decibels, you know how that goes; the bass stuff is in your stomach. Even if you can't hear it, it just kind of shakes you out of your chair. That's what it's supposed to do, I suppose, but it's supposed to do it for people paying $32 that come to the place, not for people who are trying to sleep and raise their kids across the street.

So we have crossed swords about that, and told them that we thought that that was really not a good idea in our neighborhood.

With that, I will tell you that now the more recent position -- and again I'll acknowledge some movement on the Giants' part -- has been to say they would do no more than three of those basically uncontrolled loud things. Since that was a recent event, I, as chairman of the CAC, did what I could, which was fax everybody in the CAC and say, "Here's the new count: three big rock-and-roll," and at that time, 20, of which the three is included in the 20, "20 fill-the-ballpark events."

I think we -- I believe it this way. I believe that if the Giants, in acknowledgment of the

fact of their going down to five, which sounds like every other month, to three, which sounds more like solar eclipses -- it's not, but three being fewer, and not something you'd have to say to yourself, "Geez, every other month I'm going to have one of these things here."

I think that if the number that they proposed originally of 20 full ballpark events were cut in half to 10, which is what they're allowed in Denver, that then three of the loud ones would be something that the neighbors would say "Okay."

So that is our position, to say that the three events -- I believe we have a majority of votes at our CAC. Of course we didn't have a meeting. This thing came up Monday. I would believe it to be equitable that if they have three of those events, that that be allowed; but 20 events be reduced not down to 14, but rather down to 10.

If there's that agreement in place, then I think we can go forward. There's an awful lot of work to do here. As Mr. Nothenberg talked about, there's traffic control, working with the Transportation Plan. That will take months, and we're willing to sit down and do that work. And a lot of those things will take months to do.

We're not trying to say "Stop the lease, stop the world," any of that sort of stuff. We're saying, "Go forward. Build this." Let's continue to do the rest of this work, but let's remember that this is going in a neighborhood that has been a hard one to get this built, and that I think that should be maintained with the Giants as a good neighbor.

I thank you for your time.

PRESIDENT HARDEMAN: Thank you, Mr. Mariano.

Can you hold on a second, please. Commissioner Vice President McCarthy has a question.

COMMISSIONER McCARTHY: I just have a question. Fourteen is what? There would be 14 that would not be loud; is that it, plus another three that would be loud?

MR. MARIANO: It's my understanding, and correct me if I'm wrong. There would be 14 events, they would be allowed to have 14 events, all of which could be musical or nonmusical; it could be a meeting of the royal herrings, whatever -- except for the three, the other 11 would be set so that they could not have sound levels that exceed three decibels over ambient -- which I'm learning about all this stuff as we go along -- but what I'm told is that is basically not a sound problem.

COMMISSIONER McCARTHY: So what you're

suggesting is that they go down to seven that are under the decimal and three that are over?

MR. MARIANO: That is right. And you've got to know from there, our main concern for the seven isn't even so much the sound, because there's a police code that they have to conform to. There's all these other little things they have to do that they said they would do.

So it's not even the sound so much, other than it's inconvenient, I think, even at that 3 dB level. It is the traffic. It is just the fact that instead of just 82 ballgames and playoffs, all these other things that will happen.

So if you're at 82 games, and then if you add 20 more; that's 25 percent more. So if it's pushed down to 14, I'm saying again that it should be 10. It is the traffic at that point as to the 14, or I'm saying 10 even, that is the major impact, because I think we're okay, sort of, with the sound.

It's the traffic of that that just cannot be mitigated. I don't care what any of us say. You can't mitigate it. It's just going to fall apart in the neighborhood.

MR. BAIR: I think to clarify --

PRESIDENT HARDEMAN: Take the mike. Jack

Bair, for the San Francisco Giants.

MR. BAIR: My name is Jack Bair, with the San Francisco Giants.

As part of the EIR process, there was a limitation on the number of events that they could have a capacity to five. That was part of the EIR process, and the Planning Department can confirm that.

And I wanted to correct that inference with the picture that there would be 20 events with the 40,000 people, because that's not what is the case and the situation.

MR. MARIANO: So there can only be five over 40,000. They can only be 39-, so take 1,000 off of that picture, and then we're back to it.

PRESIDENT HARDEMAN: Mr. Mariano, Commissioner Herman asked to have you back.

COMMISSIONER HERMAN: Rick, I want to ask you, if I may: Are you advising us that the sewer project is not yet finally designed?

MR. MARIANO: The sewer project itself is not finally designed. The finding again, I think is before you, because it's before me -- I can read to you those three sentences.

What it says is that when they do design it finally -- that's not just the Giants; it's also the

City, because there's the South Beach Park and other things that are adjacent, which also have to have a sewer design, which will be influenced by what the Giants do; that the package will be set up in such a way that, finally, at the end of the day, that it will not materially, adversely affect the existing sewer problems. That's the language we worked out in the hall.

COMMISSIONER HERMAN: That language is worked out and agreed to?

MR. MARIANO: Yes.

COMMISSIONER HERMAN: Does it dispose of the issue?

MR. MARIANO: It disposes of the issue -- yes. It disposes of the issue. I even had Sue Hestor, of whom you can dispose of no issue ever, tell us that the language is okay with her.

COMMISSIONER HERMAN: The sewer project is resolved?

MR. MARIANO: As long as you approve the new language that, again, I assume has been circulated to you that was worked out five minutes before the meeting was called into order.

COMMISSIONER HERMAN: Director Wong, is that in the new language -- the resolution, the change?

MR. MARIANO: I'm not a suspicious guy, but can I take a look?

That's it. That is the language that we agreed to, Commissioner.

COMMISSIONER HERMAN: And that has been agreed to?

MR. MARIANO: Yes, by all parties.

COMMISSIONER HERMAN: So we have reached the terminable point on any impasse with respect to the sewer project?

MR. MARIANO: Yes.

COMMISSIONER HERMAN: Is that correct?

MR. MARIANO: Yes. Assuming they perform to their obligations. I mean, they are saying that they will do it. If they don't, then I guess we come back and say someone is violating their lease. I believe the effort -- absolutely, the effort will be made and will be resolved to not exacerbate the upstream flow.

COMMISSIONER HERMAN: Now, with respect to another issue, the reduction from whatever the original number was, the 14, other than baseball events, you represent that it is more reasonable to have 10?

MR. MARIANO: Correct.

COMMISSIONER HERMAN: They're at 14 now?

MR. MARIANO: Yes.

COMMISSIONER HERMAN: What happens if you can't agree with it?

MR. MARIANO: Before you is the 14. I would urge you to amend it in the lease to make it 10. See what happens. It's what you guys --

COMMISSIONER HERMAN: Mr. Chairman, can that be done here?

PRESIDENT HARDEMAN: Yes.

MR. MARIANO: You just cross out a number, I think.

COMMISSIONER HERMAN: This can be amended, but before we act on the lease?

PRESIDENT HARDEMAN: There you go. It can be amended.

COMMISSIONER HERMAN: That is, at this meeting this morning?

PRESIDENT HARDEMAN: We will not be amending it at this time, but it can be amended prior to our final vote.

COMMISSIONER HERMAN: That will take place when?

COMMISSIONER LEE: Tuesday.

PRESIDENT HARDEMAN: Tuesday.

COMMISSIONER HERMAN: Tuesday. We can evaluate it between now and Tuesday and see if we can't

at least find a remedy, in the event there is disagreement between the parties on these two and other open questions; is that right?

MR. MARIANO: Sure. I've been to 30 gazillion of these. I'll go to 30 gazillion and one. I'm perfectly happy to meet further.

But I don't really know -- it's kind of a binary thing: 14, 10. I'm certainly happy to meet relative to it. And it's my understanding that you will not approve the lease, but all that other stuff today, and this is just a lease matter, so I don't know.

COMMISSIONER HERMAN: My point I'd like to make is we came here this morning intending to ratify, if possible, the total lease.

MR. MARIANO: Right.

COMMISSIONER HERMAN: Now another issue not now before us, interfered with that.

MR. MARIANO: Right.

COMMISSIONER HERMAN: So we have, by default, an opportunity that we did not anticipate, namely that on Tuesday, the issue that has delayed final ratification hopefully will be resolved.

Now, what I would like to know from the Chairman, will that include any other unresolved question, such as the sewage project or the other open

questions?

PRESIDENT HARDEMAN: Director Wong?

DIRECTOR WONG: Commissioner, you have until Tuesday, basically until you vote, to have certain things amended. So you can continue with an open dialogue with Rick and his group, and also with the Giants, with being able to resolve those issues prior to your meeting on Tuesday.

COMMISSIONER HERMAN: All right. I have the answer then that we really have to wait until Tuesday to know whether the answer meets the objectives that would be satisfactory to those who have points of view that differ from this. Is that your understanding?

MR. MARIANO: I'm able to meet, of course.

COMMISSIONER HERMAN: Is that your understanding?

MR. MARIANO: Well, if it's just me, I'm advocating for a change. I'd like you to -- I don't know how that works -- but just approve the lease but in section -- where it says "14," you cross it out and you put in "10." I assume you have that procedure. That's what you're doing here.

PRESIDENT HARDEMAN: Could you hold on for a second, Mr. Mariano. Denise McCarthy has a question.

COMMISSIONER McCARTHY: I'm not sure -- I'd

like some clarification after Mr. Bair's comment about the five. I don't know who we get this from, but I'd like to know exactly how these all break down and how it's on the table right now.

MR. O'BRIEN: Commissioners, my name is Harry O'Brien. I'm the lawyer representing the Giants. I've been very involved in these discussions.

Let me start with the history. The environmental impact report -- you'd rather I just cut to the chase?

COMMISSIONER McCARTHY: Cut to the chase. We've got a lot of people that want to speak.

(Multiple speakers talking at the same time.)

PRESIDENT HARDEMAN: The 5 to the 14.

MR. O'BRIEN: The bottom line, and the conditions which are before you, which are conditions that we have agreed to with a group of the property owners in the neighborhood, didn't fully satisfy the CAC. But we gave the CAC -- worked out with the CAC everything else, and we worked this out with a subgroup, with a group of property owners. We believe it's a fair compromise.

It would limit the total number of public assembly events at the ballpark, separate from ballgames, down to 14 events. That means that in a

normal season, 81 games, the Giants are limited to only another 14 above and beyond that, any event with more than 15,000 people. We're not talking about necessarily 14 events with a big crowd of 40,000.

COMMISSIONER McCARTHY: But all of them are over 15,000?

MR. O'BRIEN: All of them are over 15,000. So we are allowed up to that number for over 15,000.

All concerts will require a permit from the Port. The Port has full authority, and it is expected that it will be the Port Director who will have this authority, over each and every concert application. This was a major concession by the Giants, to agree that it can conduct no concerts without a permit from the Port.

As Mr. Mariano said, there is also a police process that they will have to go through. So there are many checks on the Giants' ability to have concerts at the park.

The lease, as a lease term, will limit us to the maximum of 14. Only three of those 14 can exceed the stringent noise restrictions established out of the CEQA mitigation measure. So all of them must comply with the police code. We have a police code in this city, and the Giants will have to comply with that, just

like anybody else.

The EIR had suggested that it would not be a significant environmental impact if we asked for five that exceeded these noise restrictions. The Giants have agreed to reduce that to three, and have reduced from 20 down to 14 on the other thing.

This is a very important economic issue to the Giants, as I said, to be limited to what amounts to less than 100, 95 events in the ballpark for this facility. It's a major concession that the Giants have made. It satisfied a number of property owners in the area, and we would very strongly encourage you to accept that.

COMMISSIONER McCARTHY: Now, what about the five Mr. Bair was saying?

MR. O'BRIEN: The five is a separate limit on events which could exceed the 40,000-person capacity of the ballpark seating area. You can have concerts where you could have seating on the lawn, on the grass, which could result in a total attendance of over 40,000. Those are separately limited to five.

COMMISSIONER McCARTHY: Those are above and beyond the 14?

MR. O'BRIEN: No, they're included in the 14.

COMMISSIONER McCARTHY: Okay. Let me get

this straight. Of the 14 events, three can exceed the noise, whatever, the nominal noise?

MR. O'BRIEN: Yes.

COMMISSIONER McCARTHY: And five can exceed over 40,000 people. And they could also exceed -- at least three of them could exceed the noise, obviously? They could be those kinds of events?

MR. O'BRIEN: Correct. Everything is included in the 14; everything over 15,000 is included in the 14, correct.

If I might, a couple of other points I'd like to make about events. One is that the Giants have also agreed that they will reimburse the Port and the City for any additional costs that the Port or the City incur in these events. So these events cannot impose additional costs in terms of traffic officers, or anything like that, in the City. The Giants or the promoter of these events would be responsible for that.

Again, this is -- the 14 represents a very significant compromise, down from what was contemplated in the EIR. And the Giants feel very strongly that they would like this.

PRESIDENT HARDEMAN: Thank you very much, Mr. O'Brien.

COMMISSIONER McCARTHY: Yes.

PRESIDENT HARDEMAN: We'll move on to the Hotel Restaurant Workers Union, Mike Casey.

MR. CASEY: Good morning, President Hardeman and Commissioners.

I just want to ask a question, which is, given that the land use or the lease issues are deferred while negotiations go on with the Union over food and beverage matters, will public comment be available next week, or are we cutting it -- is it being cut off today for everything? Because given the tone or tenure of those negotiations -- given the tenure of those negotiations, the parties, I think I speak for both the Giants and ourselves, would prefer to defer public comment to next week. And I would like to be on record requesting the opportunity or to reserve the right to speak next week on this issue relative to the lease itself, and other issues that -- or whatever is not going to be finally approved on today.

PRESIDENT HARDEMAN: I've been advised by counsel that today has been noticed on the calendar by our legal requirements that public comment on these matters would take place. Even if you both agree differently, I think it's going to be that way.

MR. BAR: I don't think he means defer; he means will there will be an opportunity for public

comment.

PRESIDENT HARDEMAN: This is the opportunity for public comment.

MR. CASEY: Is this the only opportunity for public comment? We couldn't speak next week on this issue?

PRESIDENT HARDEMAN: I'm sorry, Mr. Casey. I'll have to defer you to counsel. You're asking a legal question, rather than a procedural.

Mr. Nothenberg?

MR. NOTHENBERG: Mr. Chairman, I don't pretend to be a lawyer. I'm not a lawyer. I'm not a member of the Port Commission or of Port Commission staff.

It was my understanding, and it seems to me, that we ought to be able to fashion a way that you would take public testimony on everything you choose to hear today, that you would make decisions on all of the issues -- save the issue of Local 2; that at the meeting on Tuesday, if that issue is before you, should you wish to include some language concerning Local 2 in the lease, it seems to me rational that, if it is your decision to include some language on Local 2 in the lease, you've got to let people talk about it.

If the issue has been resolved outside of the

lease, you ain't got anything before you, and they're gone. They're out of here.

But if you do put something about Local 2 in the lease, it is reasonable to expect Local 2 and the Giants to want to talk about it. It is inconceivable to me that the City Attorney can't find some way to make that happen.

PRESIDENT HARDEMAN: We're going to find out right now, Mr. Nothenberg, because here comes our counsel.

MS. VAN NOSTERN: I think there was a misunderstanding. If the matter is before you next Tuesday and there are no changes to the document, today is the day for the public comment, and there would be no further public comment.

In the event there were changes to the documents before you and there were amendments to be included, those amendments would be open then for public comment. Mr. Nothenberg is correct.

I thought the question was, the matter before you today without change, would there be any further public comment? And the answer would be no, if we go forward in the manner that we had previously noticed and described.

PRESIDENT HARDEMAN: I think that satisfies

the question. So we will then, Mr. Casey and Mr. Bar, continue.

MR. BAR: Just so I can put a fine point on this, in the event that it is necessary to include an amendment to the lease next Tuesday, and that could be introduced at the Port Commission hearing next Tuesday, then the union shall have the opportunity to comment upon that amendment next Tuesday to the Port lease; is that correct?

MS. VAN NOSTERN: Yes.

PRESIDENT HARDEMAN: Hold on a second, Mr. Casey.

I think Mr. Herman has a question.

Commissioner Herman.

COMMISSIONER HERMAN: Yes. I just wanted to get that crystal clear. We agreed not to deal with the Local 2 issue, so as to allow more time for the parties to see if they could resolve the matter outside of this arena?

MR. CASEY: That's right.

COMMISSIONER HERMAN: Now, if it is, and hopefully it will be resolved, that will have to come back to this Commission, at which time anything not now before the Commission will be before the Commission with full rights to argue, debate, agree or disagree publicly

before the Commission.

Now that was the condition upon which we worked this arrangement out. And I think that Mr. Nothenberg is exactly right in his formulation.

MR. NOTHENBERG: Mr. Herman, if I may, answering again, only on my own behalf, and not on behalf of anybody else, because I don't presume to think --

COMMISSIONER HERMAN: You might on my behalf.

MR. NOTHENBERG: Just to be very, very clear, if an amendment to the lease is proposed on this issue, then on that issue, and on that issue alone, we are compelled, I think by rationality, to take public testimony.

It is our hope that this issue will be resolved, and I can't tell you how much the Mayor wants it to be resolved, by the parties outside of the lease. We don't want this to be resolved on a lease. We want it to be resolved to the satisfaction of the labor movement and to the Giants outside the lease, as are labor issues all over this city.

And we want that to happen. We trust it will happen. I must tell you, I am personally extremely disappointed that you will not take action on this lease today. I hope that this will be resolved in the next

couple of days. God go with them; let them go at it.

Then hopefully it will be resolved and Mr. Casey and Mr. Bar can inform you that they have worked out a deal, and it will be embodied in some language been them.

And in that event, Commissioners, Mr. President and Commissioner Herman, you can then act on this lease as it is. In that regard, I would strongly urge as well, that you dispose of all the other issues today; that you leave the union issue set aside because of its importance.

There was a negotiation that resulted in these 14 events, including all of the algebra. I'm personally surprised that didn't result in an agreement. But it seems to me that we ought to -- at least my view is and perhaps the Giants can express their own view -- we ought to work out the rest of this, and it's done. It's before you.

If the union works out its problems outside of the lease, we can take two minutes to approve it because there won't be any other testimony with the lease, and you can then deal with the union issue.

I don't know if the Giants share that wish or not, but if they do . . .

PRESIDENT HARDEMAN: They're nodding in the

affirmative, Mr. Nothenberg, for the record.

MR. NOTHENBERG: Thank you.

COMMISSIONER LEE: I have a question for Julie.

MS. VAN NOSTERN: Yes, Commissioner Lee.

COMMISSIONER LEE: It's my understanding that the Local 2 issues are not in the ground lease?

MS. VAN NOSTERN: That is correct.

COMMISSIONER LEE: Thank you.

PRESIDENT HARDEMAN: Mr. Casey, have you finished your comments?

MR. CASEY: Yes, I have.

PRESIDENT HARDEMAN: Thank you.

Our next speaker is from the Mayor's district office, Ms. Ernestine Weiss.

MS. WEISS: Good afternoon, Commissioners.

We're all concerned with this matter. I want to first congratulate everybody on all the effort we have all put into this and come to this stage today. And I would urge to you pass this with the conditions that Mr. Nothenberg said.

This will have economic benefits that will be boundless to San Francisco. I have just worked with the Mayor this past Saturday on a noise ordinance that is very important to the City, specifically downtown here

where all these events take place at Justin Herman Plaza, of which I am district leader down here.

This is very important. The Mayor has said to me that he will change the ordinance to reduce the decibels of noise to the satisfaction of the citizens of this City, because it is very important to have a peaceful and comfortable life here. And he's very interested in that.

Also, I work with the Department of Parking and Traffic with all these matters, and I promise you, I will diligently pursue all this to make the traffic problems less, especially downtown here, where they are already tough.

I also work with MUNI, which Mr. Nothenberg is familiar. I will work very closely to make everybody happy with that too.

The Giants have worked diligently with the community, and now let's go forward. "Let's go Giants" for a successful future in San Francisco. We need this economic thing. I've worked with the Giants and, believe me, it is a piece of cake compared with the 49ers.

So let's go forward, and let's give my little grandson a happy birthday present. He will have his birthday on October 15th. And let's break ground on the

date they said, October 20th, is it?

Let's go forward with this. Thank you very much.

PRESIDENT HARDEMAN: Thank you, Ms. Weiss.

We do have to take into consideration our three-minute rule. We have very many speakers, so I'd like everybody to continue to talk into the mike, as you have been doing.

And I call on our next speaker, if he's still here, Mr. John Moylan.

John left, okay.

The next speaker is Mr. Steven Vettel, representing Bayside Village Association, South Beach Marina Apartments, and Reliance Development Group.

MR. VETTEL: Good morning, Commissioners. Thank you.

For the record, I'm Steve Vettel. I'm an attorney. I represent three other major residential property developers and owners in the vicinity of the ballpark: Bayside Village, which is about 860 units; South Beach Marina Apartments, which is about 350 units; and Reliance Development Group, which just opened the Oriental Warehouse with 66 units, and is developing another 300-odd units in a couple of towers near the Warehouse.

We have spent the last really year and a half in discussions with the Giants to try to deal with some of the same issues that the CAC has been dealing with, making sure that the ballpark is as good a neighbor as it can be for our residents in this area.

I'm pleased to tell you that about one minute to 10:00 this morning, we reached a final agreement with the Giants, and it's incorporated into the new Exhibit F that you have before you, which includes all the improvement measures that the Giants have agreed to publicly and with us.

And so I'm here to speak in favor of your adopting this revised Exhibit F as part of the lease document, and to let you know that my clients are satisfied with the imposition of these conditions, and these conditions only, on the Giants; that includes my clients' acquiescence to the 14-event limit.

There's one issue I'd like to raise with you that Rick Mariano raised earlier, his first point, and that was the request that you amend your CEQA findings to include one additional statement concerning the traffic routing plan. The problem we've got is that, in the South Beach area, the residential area, there's sort of two major streets that give access to all the projects. It's Brannon Street, between Second and

Townsend -- between Second and Embarcadero; and Townsend Street, between Second and Embarcadero.

The traffic routing plan in the EIR proposed that Brannon Street essentially be blocked off before and after ballgames, so that ballpark traffic does not use Brannon Street, and it's reserved for the residents of the area. We like that very much.

We would also like the findings to include that the ballpark transportation coordinating committee will consider doing the same thing for Townsend Street, for that one-block stretch between Second and The Embarcadero. Townsend Street, in this area, goes right between South Beach Marina Apartments, Steamboat Point Apartments, the new One Embarcadero South project, and other -- about 1,000 or 1,500 units just on that two-block stretch.

I do have language that I will pass out to you that I would ask you to amend your CEQA findings to include. It's page A2 of your CEQA findings document.

I would like to represent to you that this language has been reviewed by the Environmental Review Officer, Hillary Gilliman. It has been reviewed by the City Attorney, as well as by the Giants, and none of them have an objection to the language. It's merely instructing the CBBC to consider this measure as an

additional improvement for the neighborhood.

That's the only amendment we're seeking at this point. Thank you very much.

PRESIDENT HARDEMAN: The staff person that's involved with this, Mr. Wong?

DIRECTOR WONG: We've just had Jesse take a look at it now. We'll be able to respond in just a little bit.

PRESIDENT HARDEMAN: Thank you. Remember again, please, the three-minute time limit is important to make sure everybody gets a chance to speak.

Judy West, Northeast Mission Business Association and San Francisco Bicycle Coalition.

MS. WEST: Thank you, Commissioners.

My name is Judy West, and I'm representing Northeast Business Association and the San Francisco Bicycle Coalition that have developed this alternative transportation plan which would connect the central part of the Mission and the San Francisco neighborhoods to the ballpark.

We're at an early phase in this project, but I do want to come here and bring this to your attention. And I thought it was particularly interesting that they're still sort of working out details with these leases, because if transportation to and from the

ballpark is still a concern, this bicycle route that follows the old abandoned Southern Pacific Railroad right-of-way, it's an open swath of land. It's also important because the railroad right-of-way follows the trace of the Old Mission Creek. So we have envisioned in this both somewhat of a green belt and an off-street transportation path.

It's too early in its planning phase to really make any specific recommendations. I would love to see the Giants be a part of facilitating this, but we're really at the stage right now with working with DPW and Parking and Traffic.

A significant amount of land underneath the central freeway is also available. We've also begun talking to Caltrans about using, you know, a small easement under some of their property. I was sort of hoping that that could be a part of the lease negotiations or the sale negotiations with Caltrans, but again, the pace of your project is moving a little too quickly for ours.

However, let me also say, just in listening to the comments today, I'm disappointed to see that the other events besides baseball are being limited. It was my understanding that we were going to have concerts and other things. This is what brings other businesses,

artists, riggers, set designers, lots of other people to take advantage of the ballpark as well.

I would like to see, if transportation is the big concern, that maybe the Giants can help in some small way in getting this alternative transportation path started, which could help relieve concerns by the adjacent neighbors as to traffic.

We're working right now on a multistory parking structure, that's sort of at the base. In the Northeast Mission, we've got a commitment from the City to put a big parking structure there, and it would be great if people could park at that location, and take a bicycle to the ballpark. It's only less than a mile or so.

So I wanted to bring this to your attention before everything is finished. It's moving too quickly for me to have made any particularly significant recommendations, but if there is still an opportunity for the Giants to help with this, to ease some transportation concerns by the residents, let's do it before it's too late.

Thank you very much.

PRESIDENT HARDEMAN: Thank you for your comments, Ms. West. The staff has and the Giants have heard your comments also.

Chris Kelton.

MR. KELTON: Good afternoon, Commissioners. I'm Chris Kelton. I'm a resident and business owner in South Beach. In March of 1996, I, like 65 percent of my fellow citizens --

COMMISSIONER HERMAN: A little louder.

MR. KELTON: I have a cold.

-- citizens of San Francisco voted for Proposition B. It's also important to point out that 61 percent of my neighbors voted for this project, so we consider this not to be a threat to our neighborhood.

With that mandate of the voters, the message is crystal clear. The citizens of San Francisco embrace this project as the way we want our waterfront developed. I urge you to approve this project and the plans before you.

We in San Francisco have a unique opportunity. It has become a fact of life that communities and cities can no longer depend on government, either federal or state for funding or aid. Independent revenue streams must be created to ensure City programs. Pac Bell Park is an integral part of this creation, positively impacting programs and City life.

This project is the hallmark of the new

San Francisco. President Clinton's favorite saying includes the phrase "Bridge to the 21st Century." This project is a bridge to the new San Francisco, creating a new vision of hope and a sense of community. It is time to move forward and fulfill our mission.

PRESIDENT HARDEMAN: Thank you for your comments.

We have Bill Wigert, representing Limbach & Limbach.

MR. WIGERT: Limbach & Limbach.

As you probably know, we are, I think the largest tenant here in the Ferry Building, and have been down here since 1972, and have had a very good relationship with the Port.

Obviously, we've had an interest in the ballpark and what effect it could have on our employees, some of whom commute to the East Bay and some of whom commute down the Peninsula, some of whom live here in the City.

And I'm delighted to say that we think that the ballpark plan has developed nicely and support it wholeheartedly. I personally have attended a lot of meetings of the citizens of the Advisory Committee, BCDC, Redevelopment Commission meetings, Planning Commission meetings.

I've read the draft EIR and the comments to it, and I'm satisfied that the mitigation measures have been adequately addressed in a sound and reasonable fashion. I also want to comment on the comments made by other people, how helpful and cooperative the Giants have been, and also how flexible they have been, in the face of comments from people about their program.

One thing -- two other comments I'd like to make. First, I think -- and I urge you, aside from the labor issue, to pass the lease. I think it's a good business deal. It's good for the City. It's good for the Port.

In fact, I think the whole ballpark is a good one for the Port. It's going to provide access to people throughout the city who don't normally have access to the Port, like I've been fortunate to have working here.

Finally, I want to point out that I'm also a neighbor. I own my home over at Bryant in the Embarcadero. And I'll say that I don't share Mr. Mariano's views about limiting the number of events unreasonably for the Giants. As far as I'm concerned, the Giants have made a private investment, and it's a result -- it has meant that the taxpayers haven't had to risk our money. And I think they deserve a fair return.

And as someone that lives in that neighborhood, I look forward to having events that I can walk to.

My advice is to pass the measures before you and proceed as quickly as you can.

Thank you very much.

PRESIDENT HARDEMAN: Thank you very much for your comments.

Kathleen Dowling from the National Women's Political Caucus, is she still here?

EXECUTIVE SECRETARY: No.

PRESIDENT HARDEMAN: Bill Swartz, Eureka Theater? Mr. Swartz?

MR. SWARTZ: Yeah, I'm here. This thing isn't working anymore.

First, good afternoon, Commissioners. I must apologize, because I have nothing to say about the ballpark or the Giants or any of that.

But this is an open meeting, as you said. And I must also apologize for the lateness, perhaps, in my comments, concerning the Land Use Plan for the waterfront.

My name is Bill Swartz, and I am the Executive Director of the Eureka Theater. When I read about the Waterfront Land Use Plan, I was amazed to find -- do I have the attention of the Commissioners?

PRESIDENT HARDEMAN: Yes. Your comments will have to come at the end of this. There's public comment reserved for this type of --

MR. SWARTZ: I've waited since 10:00 o'clock.

PRESIDENT HARDEMAN: -- until the end of the agenda. We're speaking on a matter now. And I did get the City Attorney's nod. We can't talk on this now, so you'll have to wait until the end.

MR. SWARTZ: When is the end?

PRESIDENT HARDEMAN: I don't know.

MR. SWARTZ: Jesus Christ.

PRESIDENT HARDEMAN: So we have Michelle Tirella, private citizen.

Is she here? No.

We have Davitt Felder, private citizen.

MR. FELDER: I just wanted to quickly say, as a young person who grew up in San Francisco, I wanted to encourage you to really move the project ahead, because this area right here is not an area frequently visited by young people. The city, you know, as a whole, doesn't have that many attractions for young people. A lot of young people go outside the city for fun and games, things to do.

And I think it would be -- the project, as soon as you can do it, to get started, because the

ballpark is important to bring young people to this area, because they're rarely here, and there's not much to of attract them right now. And certainly a ballpark would do that.

So I just wanted to encourage you, and let you know that not only young people, but a lot of people would be coming here.

PRESIDENT HARDEMAN: Thank you for your comments.

Mr. Jeffrey Leibovitz.

MR. LEIBOVITZ: Commissioners, I faxed a couple of letters this morning. I hope that you have copies of them. I will submit them to you after I leave, after my comments.

COMMISSIONER HERMAN: A little louder.

MR. LEIBOVITZ: I'm sorry.

COMMISSIONER HERMAN: A little louder.

MR. LEIBOVITZ: I don't believe this is working. It was a little difficult hearing this morning too, especially the Director's comments, so you'll have to bear with me.

Now, a couple of issues. Issue No. 1 is I believe this limited partnership of CBBC is comprised of a company called -- comprised of another limited concern, a Japanese concern called Kajima, if I'm

correct. And I believe that this corporation has a relationship with Burma, so you might have to look closely at that relationship, according to the San Francisco Administrative Code. That's one issue. I know that they are concerned here with the development of this ballpark.

The other is the CEQA findings. I have a letter that I have delivered to the Board of Supervisors discussing the inconsistencies in the CEQA findings regarding Proposition M. It was also a voter mandate in 1986. I'll deliver that. You should have a copy of that letter that I faxed to you this morning.

There are also some issues about the $1.2 million that the past Port Director, Dennis Bouey, allocated to the San Francisco Giants. We're not quite sure where that money goes or for how long that money goes to them. That was back in February of this year. The mayor directed the Port Commission to do that. It used to be money that was generated through parking revenues. It went to MUNI. At that point it was directed to the San Francisco Giants to offset some either relocation costs or demolition costs. I think that's a matter that needs to be looked into and addressed.

The street vacation issues? Well, they're

getting something for nothing, as far as we're concerned. This is a public vista, Second Street. It should be considered that under Proposition M, Section 101.1 of the Planning Code.

And to correct the Director, the CAC was never expanded to include any members of South Park. There was already one member that was on the CAC. We would like to see it expanded to include another member or an alternate member from South Park.

The ferry service, which the Giants touted as being one of the best ways to get people to this venue, has evaporated into a feasibility study.

My understanding is that BCDC would like to see conditions brought upon the Giants to improve parking on the other side of the Channel; that's the south side of the Channel, along the Channel for public access. We hope that the Port will include in its conditions, improvements for the public of that Channel and accessibility for the public of the Channel.

We are very concerned about the toxic issues. I have a letter from Baykeeper. There's going to be a hearing for the Board of Supervisors August 14th concerning these. And we're concerned about the removal and transportation by a licensed hazardous waste facility of all soils which exceed California STLC's

hazardous waste levels, including lead.

We would like to see that contaminants not be stored on this site, considering that the Giants will be disrupting the soils. And the plan is to just move them to one side and to cap the site. Baykeeper would like to see these soils removed from the site and disposed of in a hazardous waste facility.

The last issue that I would like to see addressed is for the BTTC to consider that a bus bridge not run down Second Street; that Third Street and Fourth Street be used for the bus bridge, because of the residential element down on Second Street and the density of residential areas.

We're going to be kind of locked in between Third and Second Street and South Park, and some of the new developments that are coming in a long there. We would again like to see, again, Third Street and Fourth Street used there.

I have also have some mitigation that we submitted to the Board of Supervisors for South Park. I'll submit that to you, along with my letters.

Thank you for the opportunity.

PRESIDENT HARDEMAN: Ms. Sara Ames, representing the Stadium Update.

MS. AMES: Hi. I have a couple of pamphlets

that I put together for you that outline some of the concerns that our community has.

I would like to thank, first of all, Rick Mariano and the Citizens Advisory Committee, which has worked diligently and extensively to make sure that mitigation is put into place that will protect the neighbor surrounding the ballpark.

As you can probably imagine, something of this scope is going to have a huge effect. And being someone who lives on Potrero Hill, I read the Environmental Impact Report with great interest. It's a good read. It sounds good. Technically, it sounds good. It's really long. It looks very extensive. But going through it and having intimate knowledge of Potrero Hill, I can tell you there are significant areas of the environmental report that mitigation is lacking.

As a matter of fact, for the whole Potrero Hill, the proposed mitigation in the Environmental Impact Report, includes one police control officer at the off-ramp that will handle approximately 25 percent of the fan base. That's it. There's a sign. There's a sign. I left out the sign.

There's a sign at the Vermont Exit at Mariposa that directs traffic to turn left. The exit has two arrows that point to go down Mariposa Street.

All the parking is down Mariposa Street. And they're expecting the fans that exit to make that hairpin left turn. Those are just a few examples.

And I've included in the pamphlet a map of Potrero Hill. And in blue, I outlined the proposed mitigation that the EIR suggests, which is a sign on this corner. And they propose that that will redirect all the traffic down to 16th, which is a commercial street.

Mariposa and all the other streets on Potrero Hill are residential. And the EIR specifically asks that traffic be kept off residential streets as a goal. It's not been accomplished. One small sign on the street corner will not accomplish that on an exit with two arrows directing them straight ahead to the parking lot. Mariposa is the most direct route.

There are many, many other examples that I can point out like this. So I would like to ask you to just glance at this and consider this. And really, the EIR has been passed, so it's not about that. Concerts are an issue that are before you.

With Potrero Hill and South Hill and China Basin taking so much of the impact, because there will be a huge impact, as the poster showed: 42,000 people or 50,000 people going see an AC/DC concert, will have

an incredible impact in these neighborhoods.

The trouble is, on the south side of the Channel, which is where all the designated parking is located, the lots with 5,000 parking spaces. So we are going to have a huge influx of the traffic. Please limit the amount of traffic and the number of events that this will be occurring for: 81 ballgames, plus another 14 events, and concert events.

Shoreline Amphitheater, they have lawsuits pending from people who live ten miles away because of the noise level. I'm a mile and a half from the stadium, so even four concerts at unlimited decibel levels a year, probably all on weekends when I'm home, are going to have a huge impact on my life, in addition to impacts that I've already accepted, and I know what we'll have to live with.

People want this, and we're willing to make compromises to live with some degradation to the neighborhood, but we really ask that you limit it to a reasonable amount. I feel very strongly that ten concerts is a reasonable amount.

I was at a CAC Commission meeting before Prop B was passed, and Larry Bar at that meeting said, quote, "We do not anticipate using this stadium for music events at this time."

Now, I realize that time has changed. Now it is. But I feel that that isn't what the people believed initially. It was in the fine print if you read it, but most people didn't. Most people thought they were voting for a ballpark.

So I really feel that the concerts need to be limited. And I ask you to, please, look at that.

I just wanted to show you a couple of quick pictures, just to demonstrate the kind of traffic we're going to be experiencing. And I made pamphlets for you, but I'm sorry, they're black and white. But I'm going to pass them around.

PRESIDENT HARDEMAN: Thank you.

MS. AMES: Can I finish something? I also wanted to pass out some of the color photographs that show traffic on 280. This is after a lightly attended Giants game. This is just the northbound fan base.

The EIR states that 280 will be free-flowing before and after events. This is 280. This is with about 7,000 fans, not 30,000 or 50,000 trying to get to a concert park. It's congested; it's gridlocked.

The other photographs I wanted to show you are Little Hollywood. This is a community, and this is on ballgame day when there is space in the parking lots. People don't want to pay for parking. They park in the

neighborhoods.

Potrero Hill will experience this. South Beach will experience this. Please limit the number of times a year we will have to live with this.

Regular ballgames, okay; another ten events, okay; but there needs to be some compromise between the Giants and the community.

PRESIDENT HARDEMAN: Thank you, Ms. Ames.

MS. AMES: Thank you.

PRESIDENT HARDEMAN: Sandra Peterson from Potrero Hill.

MS. PETERSON: I'm Sandra Peterson. I live on Pennsylvania Avenue on Potrero Hill. And I wanted to really ask the Giants if -- and thank you, Commissioner, for listening to us.

Is there now a comprehensive traffic and parking plan in writing now for the City, and including Potrero Hill? That's my question. Is there a comprehensive traffic and parking plan in effect now for Potrero Hill?

I have videos, videos of news conferences from before this vote came down in March of '96 of Larry Bar promising -- I have this on video -- him saying, Before any ink goes on any contract, before a shovel is put to the ground, there will be a comprehensive traffic

and parking plan in effect for the South Basin and Potrero Hill.

I live on Pennsylvania Avenue. I live at the off-ramp and the on-ramp of 280. And on any given afternoon -- this is no kidding -- there is parking. You can see it on this bridge. All you have to do is look out this window and look to the right, and you can see that the 280 is backed up.

I can look out my kitchen window, and it's bumper to bumper all the way from Fourth Street as far as you can see on the Bridge, all the way to where I live, which is on Pennsylvania Avenue and Mariposa and Pennsylvania.

If there is a comprehensive traffic and parking plan, may I see it? Where is it? Where does it exist? I screened my videos last night, and Larry Bar said this over and over. Where is the traffic plan?

I picked up the Examiner last night, and I read a very intelligent article by Mr. Jerry Adams. And he said, "Parking and traffic, the most controversial issues that are confronting the ballpark proposal," receive only a single sentence in the lease, which reads in part, quote, "Tenants shall be responsible for developing and implementing a transportation management plan."

PRESIDENT HARDEMAN: Are you finished?

MS. PETERSON: No, I'm not. I want the traffic plan. It needs to include the closing of certain exits of the 280 and 101 on Potrero Hill.

We need two-hour permit parking for nonresidents of Potrero Hill. So we're asking for two-hour parking permits.

We need to close the exits to nonresidents at Pennsylvania Avenue at Cesar Shavez; Pennsylvania Avenue and Mariposa, as Ms. Ames suggested; and on the 101 at Vermont. These are our thoroughfares. We are residents. We are a village, a community. We are not a freeway access road for Giants fans or concertgoers.

And I'm supporting this ballpark, but we have to do something to mitigate the traffic and not destroy our neighborhoods, only because 75 to 80 percent of the Giants fans will be coming south on the freeways from the Peninsula. And this is where these freeways will back up. And they will get off at these exits. And if any of you don't know where the traffic patterns are on Potrero Hill, please read Ms. Ames' literature, and you will know what's happening a mile and a half from here.

These folks will park on this Hill. My husband and I walk four nights a week from our house on Pennsylvania Avenue to this Ferry Building, and it takes

us 17 minutes one way every day. They will park on Pennsylvania. They will exit off Cesar Shavez. They will exit off Mariposa. The parking is free on Potrero Hill. The Giants fans and concertgoers will park on our hill. And it's going to be total chaos.

So I ask you to consider this, and put it into the lease, because we need help. And this is our only way of letting you know. And thank you very much.

PRESIDENT HARDEMAN: Thank you for your comments, Ms. Peterson.

DIRECTOR WONG: President Hardeman, I just wanted to let you know that Hillary Gilliman from the Office of Environmental Review is here to answer any of these questions.

PRESIDENT HARDEMAN: Thank you for your comments.

Commissioner McCarthy.

COMMISSIONER McCARTHY: Could you make some comments regarding the traffic?

MS. GILLIMAN: Good afternoon. I'm Hillary Gilliman from the Planning Department's Office of Environmental Review. I was really expecting, sort of at the end of all this, if you had any questions, I'd be happy to get up, but I'm happy to make them now.

Traffic and parking are obviously

controversial issues of concern to many residents and others in the area of the proposed ballpark. The EIR contained an extensive analysis of these issues. As you know, the EIR, is now in two weighty volumes. It focuses a lot of attention on what would be the potential traffic and parking effects of the ballpark.

We had a number of technical experts work with us in preparation of the EIR. They based the traffic analysis on counts, by actually going out in the field and observing existing traffic conditions, and then modeling what future conditions would be, both with the ballpark and without the ballpark. The result of this analysis is a set of mitigation measures, including a detailed rerouting program that is analyzed in detail in the EIR.

The rerouting plan is acknowledged to be only a suggestion. It's our experts' best guess at the way that traffic should be handled. Because we can't anticipate everything that's going to happen in 2015, we hedged our bets. We included a mitigation measure that would establish a committee, a coordinating committee in which Port staff would participate. That committee would meet regularly, probably before every large event at the ballpark, and would talk about what's working, what's not, do we need to put a traffic control officer

there. There was one over there. They're not doing much. Let's move them down the street. Are the parking controls working? Do they need to be adjusted? That would be an ongoing committee, an ongoing program to adjust the rerouting plan and other measures as needed. We felt that was the most effective way to address concerns about traffic and parking.

One other point I wanted to make about the special events, and then I'd be happy to answer any other questions you have. The special events are specifically scheduled -- I believe this is a condition in the lease -- not to conflict with the peak travel period. So we have made every effort to make sure that while those events obviously will generate traffic and parking, we're making every effort to make sure that doesn't conflict precisely with the peak period when commuters are trying to get in and out of these areas.

PRESIDENT HARDEMAN: Dennis MacKenzie, Round the Diamond.

MR. MacKENZIE: Good afternoon, Commissioners. Thank you.

I'll just be brief. I've given you some written material. As you know, I believe the ballpark can bring tremendous value to the entire City and County of San Francisco, especially our educational system, I

believe, which can be embodied by our educational facility, which the other teams around the country can emulate and the local communities and cities, including Native American Indian reservations.

I want to thank you all the Commissioners here and the Giants and all the citizens of San Francisco for working so diligently and so long. We've all worked on this for many years.

I request that you all give yourselves a week, if that's what it takes after all this time, to resolve these issues to the best of your ability. Thank you.

PRESIDENT HARDEMAN: Thank you for your comments.

Babette Drefke from Potrero Hill.

MS. DREFKE: My name is Babette Drefke. I live on Potrero Hill. Potrero Hill is the neighborhood that had the courage to vote against the ballpark; not that we aren't ballplayers or ball fans, but because we knew what it would do to Potrero Hill. And we haven't seen any changes since it was voted in, and we are going along with it.

We haven't seen you do anything to mitigate the circumstances that are going to happen on Potrero Hill. All we can see now is that we're going to be

inundated with traffic and parking from the ballpark. And we would like to see placed in the lease, one sentence that says you guarantee there will not be ballpark traffic or parking on Potrero Hill. It's a very simple thing. I just ask that.

And as far as the parking, someone else stated that it would be two-hour parking. I would like to see the Giants pay for the special-permit parking that will be required for Potrero Hill residents. There's no other way you can do it. And the parking should be limited to one hour. That's what they're doing around San Francisco Hospital. One hour. That way, you know, it will be two hours they're allowed, not four.

So we would like to see that put in your lease. Before you pass the lease -- you can pass it, but put in that the traffic will be kept off of Potrero Hill.

And on the Vermont Street drop-off coming off of the freeway, the sign should be placed on the freeway, not on Potrero Hill. It should be placed down on the freeway before the people start turning off the Vermont Street drop-off. That should be put there at the expense of the Giants.

And call it a ballpark, not Pac Bell, because

you'll have to be changing the name again in a couple of years. Just call it "ballpark." And we'll keep the traffic off of Potrero Hill that way. But that's only for the ballpark fans.

And Potrero Hill, as you know, doesn't have too many entryways. And when we're coming from downtown or from that direction, we have to all go on certain streets. And 16th, 17th, and Mariposa are cut right through. And they're very busy streets, especially with the new parking center that's built at 16th and Potrero. Traffic is getting pretty bad. We're backed up for a few blocks there. So I would like to see you do something about those three streets. Eliminate the extra ballpark traffic on those, otherwise we won't be able to get to Potrero Hill.

I can sympathize with the people at Townsend, but they're only requesting the last couple of blocks of Townsend, so you have all those blocks before it. And Townsend is a wider street, and it is commercial and industrial.

So if you'd put into the lease "No extra ballpark traffic or parking on Potrero Hill," we'd go along with it and cheer for the games.

PRESIDENT HARDEMAN: Thank you.

Ms. Carol Galante at Bridge Housing.

MS. GALANTE: Thank you very much. Thank you for your patience. My name is Carol Galante. I'm president of Bridge Housing Corporation. We're the owners of Steamboat Point, which I'm thankful to the Port and City as a development that is the closest residential development, I believe, to the new ballpark.

And I really only want to make one comment, except to say that I think you all should be commended. This is incredible to me that a project of this size has so much consensus. And that is an incredible testimony to the staff of the Giants, of Rick Mariano at the CAC, which we had a representative on that committee, and to the staff of the City and the agency and the Port. It's really phenomenal.

My only concern is that I really do want to be sure that the traffic mitigation plan -- that the CEQA findings are amended as Steve Vettel, who spoke earlier, commented on to include Townsend in the traffic mitigation plan, as consideration to close Townsend to ballpark and concert traffic.

It is the only access to Steamboat Point. Our residents will not be able to get in and out of the only parking that they have if that street is flooded with traffic. And I know that's true for other developments, that there is problems, but clearly,

there's going to be a year-long process to develop the traffic mitigation plan, and we understand that, but it think it's very critical that that finding be included today, and that be considered when the traffic mitigation plan is developed.

I think the compromise on the concerts, particularly getting down to only three loud events a year, is a great compromise. Any further compromise in terms of the number of events, as requested by the CAC, would certainly help the overall traffic considerations in the neighborhood. But I think the fact that we've gotten to this level of consensus is quite phenomenal.

PRESIDENT HARDEMAN: Thank you.

Mr. David Cincotta, China Basin Buildings.

MR. CINCOTTA: My name is David Cincotta, and I'm here on behalf of the China Basin Buildings, the most immediately adjacent to this ballpark.

We are also very happy in welcoming the Giants ballpark to the neighborhood, and very happy with the work that's been going on by the Giants' staff, by the Port, and the City.

The mitigation measures that have been built into the EIR and into the existing documents have been commendable and have gone a long way. We have one issue that we believe has been not addressed fully at this

stage, and we believe that the only place that this can be done is in your lease or in your DDA agreement. And that is the noise that is going to be created by the pile-driving.

If you're familiar with the China Basin Buildings, you'll note that there are two buildings divided by a courtyard. That courtyard exists less than the width of this building, the width of this room, from the pile-driving. When that pile-driving begins, it will be devastating. It will enter that courtyard and be amplified and reverberate throughout the entire building. This will go on for at least eight hours a day.

We have asked for two concessions in this: One is the extension of time for the pile-driving. The concession -- the mitigation measure that was built into the EIR is a little vague and general saying that it will take into consideration such impacts.

But we believe a little more of a compromise to allow pile-driving on the weekends and on the evenings would make it a little bit less for this building, and would shorten the time period for the pile-driving to occur.

For example, we've been advised that the pile-driving agreement is that it will end at about 5:00

o'clock. If they will extend it to 8:00 o'clock at night, still not too late, that would shorten two days a week off the pile-driving schedule. So we believe that that's really an appropriate measure.

Perhaps more significant for us is the construction of a temporary sound barrier right at that entrance to the courtyard right along Third Street, and to exist only for the time period that the pile-driving is in effect. We believe such a temporary measure can be done at a reasonable cost for the considerable improvement to the area.

We have over 2,000 employees in this building and 350 students. They will be impacted every day, all day, for at least six months of that construction period of that pile-driving period, and longer while the steel construction is going up. If we were about the same size as the Transamerica Pyramid Building, if this building was going up across the street from the Transamerica Building, we would certainly find a mitigation measure that would allow some sound barrier to protect the workers in those buildings from the pile-driving.

We believe this is a modest measure. It can be included in both the lease agreement and the DDA by a simple addition of the sentence today, by your motion.

And we hope you'll consider that. And again, thank you.

PRESIDENT HARDEMAN: Thank you for your comments, Mr. Cincotta.

Jim Ross? Jim Ross? There are no other speakers on this matter?

Are there any members of the public that have not filled out a speaker card, but at this time want to wish to make a comment on these items? If so, please identify yourself and fill out a card after you do with the secretary.

MS. HESTOR: Sue Hestor, speaking on behalf of the residential property owners immediately to the north of the project. I just want to deal with the pile-driving, because I don't want you to forget, this was one of the major issues we've been negotiating with the Giants over the past couple of months.

The chart that used to be up there, that listed all of the residential owners. There is a conflict here. You have commercial property owners on the west side of Third Street; you have residential property owners and families with children to the north. I think the practice in San Francisco for pile-driving abutting residential areas in San Francisco, the pattern is you protect the residential areas.

And while I understand the China Basin

Buildings' request to shift the hours so that their people aren't disrupted, it's a shift to disrupting residents. And Saturdays and evenings are the kinds of things that drive residents crazy.

I have no opinion as to their sound barrier. I don't even know exactly what they're proposing. But we have real strong concerns about changes in the pile-driving schedule.

Thank you very much. And show me where the forms are.

PRESIDENT HARDEMAN: Thank you, Ms. Hestor.

Do we have any other speakers on these items on the agenda?

If not, Commissioner Lee has asked for a few-minute break, and we will do that at the present time.

We will take a short break right now.

MS. VAN NOSTERN: Let the record reflect this is Julie Van Nostern, City Attorney's Office, that you have requested to take a break. You are also reconvening your executive session that you previously held. You're reconvening.

PRESIDENT HARDEMAN: So we will be longer than a little break. How long?

MS. VAN NOSTERN: Approximately 10 to 15

minutes.

(Whereupon, a recess was taken)

PRESIDENT HARDEMAN: Madam Secretary.

SECRETARY QUESADA: Roll call.

Commissioner Michael Hardeman?

PRESIDENT HARDEMAN: Here.

SECRETARY QUESADA: Commissioner Denise McCarthy?

COMMISSIONER McCARTHY: Here.

SECRETARY QUESADA: Commissioner Frankie Lee?

COMMISSIONER LEE: Here.

SECRETARY QUESADA: Commissioner James Herman?

COMMISSIONER HERMAN: Here.

COMMISSIONER McCARTHY: I make a motion to not disclose any discussion that was held in the executive session.

COMMISSIONER LEE: I second that.

PRESIDENT HARDEMAN: All those in favor signify by saying aye.

(Commissioners all signified "aye")

PRESIDENT HARDEMAN: Opposed?

Hearing none, so it shall be.

Director Wong, I think Commissioner Lee is prepared to make a motion on Item 2A.

COMMISSIONER LEE: I move to make a motion to approve the item 2A1, the CEQA finding.

PRESIDENT HARDEMAN: Do we have a second?

COMMISSIONER McCARTHY: Second.

PRESIDENT HARDEMAN: Do we have any discussion or comments?

Hearing none, all those in favor, signify by saying aye.

(Commissioners all signified "aye")

PRESIDENT HARDEMAN: Opposed?

So it shall be.

Madam Secretary.

SECRETARY QUESADA: Item 2B. Confirmation and approval of amendments to the City's General Plan and to the Rincon Point-South Beach Redevelopment Plan.

PRESIDENT HARDEMAN: Director Wong, do you have a comment on that, or Paul?

DIRECTOR WONG: No, we do not.

PRESIDENT HARDEMAN: Do we have a motion?

COMMISSIONER McCARTHY: I move approval.

COMMISSIONER LEE: Second.

PRESIDENT HARDEMAN: Any discussion or comments?

Hearing none, all those in favor of Item 2B signify by saying aye.

(Commissioners all signified "aye.")

PRESIDENT HARDEMAN: Opposed?

Hearing none, so it shall be.

SECRETARY QUESADA: Item 3A. Authorize staff to approve vacating portions of Berry Street and Second Street to accommodate development of the proposed ballpark at China Basin.

MR. LEE: Mr. President, Commissioners, my name is Alex Lee, Director of the Facilities and Operations.

This item is for the Port Commission to approve the vacating portions of Second and Berry Streets, shown on your Exhibits 1 and 2, as required by the ballpark project.

I'll summarize the write-up. The vacation will only occur contingent upon the completion of the environmental review of the ballpark project, the Port Commission approving the ballpark lease, the Port acquiring the Caltrans parcel, and the final approval by the Board of Supervisors, I believe.

The City, including the Port, is not responsible for any costs of relocating the utilities due to the vacation of the streets.

If you have any questions, I'll be happy to answer them.

PRESIDENT HARDEMAN: Commissioners, any questions?

PRESIDENT HARDEMAN: Hold on for one second.

DIRECTOR WONG: He said he's fine.

PRESIDENT HARDEMAN: We have a motion?

COMMISSIONER LEE: I move for adoption.

COMMISSIONER McCARTHY: Second.

PRESIDENT HARDEMAN: Any comments or questions?

Hearing none, all those in favor, signify by saying aye.

(Commissioners all signified "aye.")

PRESIDENT HARDEMAN: Opposed?

Hearing none, Item 3A carries.

SECRETARY QUESADA: Item 4A. Authorize staff to issue an RFP to select an operator to finance, build, and operate a ferry-landing facility adjacent to the proposed ballpark at China Basin.

MR. OSMUNDSON: Good afternoon, President Hardeman, Commissioners.

Paul Osmundson, Director of Planning and Development. This item is authorize staff to issue a request for proposals to select an operator for the ferry-landing facility at China Basin.

The Port has been working with the Giants

over a period of time to identify potential options for providing ferry service to the proposed Pacific Bell Ballpark. We've also been discussing this with other government entities, including Metropolitan Transportation Commission, Federal Highway Administration, and Caltrans.

Our initial discussions centered around having the Giants be responsible for building the facility and negotiating and entering into a sublease directly with the ferry operator to operate the land and facility. As these discussions ensued, we recognized -- the support staff recognized that there was an opportunity to utilize the ferry facility for a wider range of uses related to the implementation of the Waterfront Land Use Plan.

We're here to request that you authorize us to issue a solicitation for a commercial ferry boat operator to finance the development and operate a two-birth ferry-landing facility adjacent to the ballpark.

We would issue the RFP in the fall of 1997, and attempt to select an operator and negotiate a lease by mid-1998. If for some reason we are unsuccessful, we would proceed with the feasibility study for a South Beach-Mission Bay ferry terminal, located south of China

Basin Channel. We would seek public funding for that project from federal and state transportation funding services. And we're not certain of the scheduling of that project. We'd be happy to answer any questions.

PRESIDENT HARDEMAN: No questions?

COMMISSIONER McCARTHY: No questions at this time.

PRESIDENT HARDEMAN: Do we have a motion on Item 4A?

COMMISSIONER LEE: I move for adoption.

COMMISSIONER McCARTHY: Second.

PRESIDENT HARDEMAN: Any further discussion or comments?

Hearing none, all those in favor of Item 4A, signify by saying "aye."

(Commissioners all signified "aye.")

Opposed?

Hearing none, so it shall be.

SECRETARY QUESADA: Item 5. New business/public comment.

MS. HESTOR: Sue Hestor. I just want a clarification. The first motion on the CEQA finding, it is the motion with the amendment on the sewer language that was agreed to by the City, and all of that? I just wanted to . . .

PRESIDENT HARDEMAN: A copy of that was available for you from either Director Wong or -- staff does have that.

MS. HESTOR: Just so that the record is clear, it was the --

MS. VAN NOSTERN: Excuse me. We were requested by Mr. Vettel to put it in the DDA. It is in the DDA Resolution.

It was requested in -- pardon me. The sewer language was requested to be in the DDA Resolution, and we did that. But that's not before us at this moment.

UNIDENTIFIED SPEAKER: My question is about this amendment.

MS. VAN NOSTERN: That was not included.

Let me explain. With respect to the request that you had -- may I see that? With respect that you had with regard to Appendix A, you had the opportunity at the board level to request this. And since it involves the City, at the City level, I'm sure there will be other suggested changes. It was more appropriate to have those changes in at that level.

The Commission just approved what was before it and not that change. They would have directed it into the record if that would have been the case.

And then with respect to the other issues

that were just brought up, those matters will be heard -- well, the matter in terms of the vote will be heard on Tuesday.

PRESIDENT HARDEMAN: Any other public comment on matters discussed today, or any other matter coming before the Port, or any public comment on anything, just to clarify, so I don't get in trouble?

Hearing none, we will be continued until Tuesday morning, which is July --

MS. VAN NOSTERN: I apologize, Commissioner. If I may?

There will be a special meeting on Tuesday, the 22nd of July at 10:30, regarding the issue of the ballpark and those items that were not voted on today. It will be calendared as a special meeting.

PRESIDENT HARDEMAN: As opposed to a recess due to the timely missing --

MS. VAN NOSTERN: It will not be a recess. There will simply be a special meeting regarding the issue of the transactional documents. That was -- the only thing that was taken out of that had to do with the CEQA findings.

PRESIDENT HARDEMAN: Any other comments. Director Wong?

DIRECTOR WONG: That's it.

PRESIDENT HARDEMAN: I'm sorry.

DIRECTOR WONG: We do have our regular meeting scheduled on the 22nd.

PRESIDENT HARDEMAN: At 4:00 p.m.

DIRECTOR WONG: The executive session.

PRESIDENT HARDEMAN: Commission McCarthy?

COMMISSIONER McCARTHY: I would just like to encourage everyone involved in the issue that will be before us on Tuesday to make their best efforts to resolve it.

PRESIDENT HARDEMAN: Commissioner Lee.

COMMISSIONER LEE: No. I don't have any comments.

PRESIDENT HARDEMAN: Commissioner Herman, any closing comments?

COMMISSIONER HERMAN: I have none whatsoever.

PRESIDENT HARDEMAN: I should follow Commissioner Herman's lead, but I'll just echo what Commissioner McCarthy said. And I would encourage everyone, because you've come so far, this is like, you know, you're at that last thing, you know, where one-hundreth of a second wins the race. So we're right there. All we have to go is that last little bit. And we certainly hope that the outstanding issue is resolved by Tuesday.

I think it's remarkable that -- somebody commented about Sue Hestor, and all the diverse people in this town, which is more than any other city probably in the world, that we've got this far and did not get that last little -- it would be very discouraging, I think, for everybody.

Thank you. Meeting is adjourned.

(Whereupon, the proceedings adjourned)

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CERTIFICATE OF REPORTER

I, KAREN R. DICKERSON, a Certified Shorthand Reporter, hereby certify that the foregoing proceedings were taken in shorthand by me, at the time and place therein stated, and that the said proceedings were thereafter reduced to typewriting, by computer, under my direction and supervision;

I further certify that I am not of counsel or attorney for either or any of the parties nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

DATED: _____, 1997

_____
KAREN R. DICKERSON, CSR 8042